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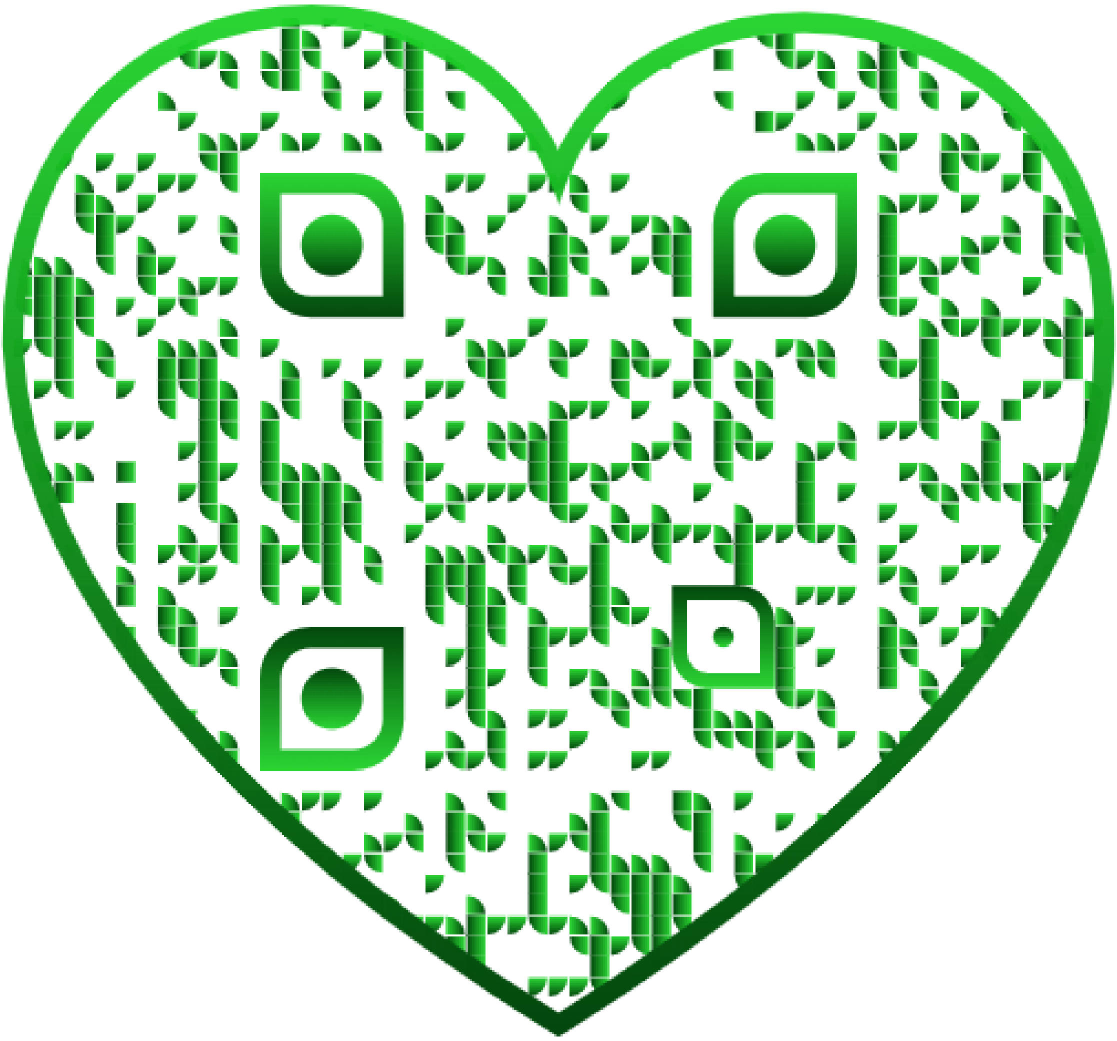

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IC PUBLICATIONS
7 Coldbath Square, London EC1R 4LQ
Tel: +44 20 7841 3210
icpubs@icpublications.com
www.african.business

FOUNDER
Afif Ben Yedder

PUBLISHER & EDITOR-IN-CHIEF
Omar Ben Yedder | *o.benyedder@icpublications.com*

EDITOR
David Thomas | *d.thomas@icpublications.com*

SUB-EDITOR
Mike Holderness | *m.holderness@icpublications.com*

DESIGN
J Venkatasamy | *j.venkatasamy@icpublications.com*

COMMERCIAL DIRECTOR
Roman Zincenko | *r.zincenko@icpublications.com*

ADVERTISING
Sergio Silva, Baytir Samba, Nick Rosefield,
Saliba Manneh, Jeremie Alamazani
advertising@icpublications.com

DISTRIBUTION
distribution@icpublications.com

PRODUCTION MANAGER
Stuart West | *s.west@icpublications.com*

TUNISIA
Néjib Ben Yedder | *n.benyedder@icpublications.com*

IC EVENTS
info@ic-events.net

SUBSCRIPTIONS
IC Publications
Webscribe
Unit 4, College Business Park, College Road,
North Aston Clinton HP22 5EZ, UK
Telephone + 44 (0) 1442 820580
contact@webscribe.co.uk
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publications IC EVENTS

Raila Odinga, the enigma of Kenyan politics, passes away aged 80

A giant of Kenya's poltical scene, Odinga walked a path from firebrand opposition leader to frequent collaborator with his opponents, writes **Lennox Yieke**.

Raila Odinga, Kenya's former prime minister and one of the country's most influential political figures, died on 15 October in the southern Indian city of Kochi. Odinga suffered a cardiac arrest while on a morning walk in the grounds of an Ayurvedic clinic where he had been undergoing treatment. He was 80.

In the capital Nairobi, his hometown of Bondo, and other parts of the country crowds gathered in the streets to pay homage to a man they affectionately called "baba" (Swahili for father). At the time of his death, he was the party leader of the Orange Democratic Movement (ODM), a major political party that he founded in 2005.

From detainee to political supremo

The son of Jaramogi Oginga Odinga – an independence-era hero and Kenya's first vice president under Jomo Kenyatta – Odinga cut his teeth in politics in the 1980s, during a turbulent chapter in the nation's history. His rise was marked by confrontation with the autocratic regime of the late President Daniel Moi, which accused him of involvement in the failed 1982 coup attempt and detained him on charges of treason. He spent six years in detention, but was rearrested twice – in late 1988 and again in 1990. Fearing for his life, he fled to Norway. He returned to Kenya in 1992 after constitutional reforms reinstated multi-party democracy. That same year, he won the parliamentary seat for Nairobi's Lang'ata constituency.

Following his debut in elective politics, Odinga emerged as a firebrand opposition leader who spoke truth to power. He was particularly adept at mobilising mammoth crowds to protest against state excesses, becoming both a symbol of resistance and a polarising force in national politics.

On the back of this momentum he launched his first presidential bid in 1997, but lost to the incumbent President Moi. In a spirited decades-long quest for the presidency he ran in 2007 against Mwai Kibaki, in 2013 and 2017 against Uhuru Kenyatta, and in 2022 against William Ruto. Odinga often attributed his defeats to vote-rigging and systemic flaws in Kenya's electoral process.

A knack for forging alliances

Despite this string of electoral defeats, Odinga's political fortunes grew steadily over the years. This was due to his knack for forging timely alliances with the establishment, offering political cover to unpopular presidents in exchange for proximity to power and state appointments for allies and loyal party members – all while officially in opposition.

His first alliance was with Moi after the 1997 elections, when he made a deal to support Moi and was appointed energy minister. He ditched Moi in 2002 and campaigned for Kibaki, who he would later fall out with and run against in the disputed 2007 polls. In the wake of violent clashes between his supporters and Kibaki's he entered a power-sharing agreement with Kibaki in 2008, serving as prime minister in a coalition government.

In 2017 he reconciled with Kenyatta, who backed his 2022 presidential bid against Ruto. Following Ruto's victory, Odinga found himself joining what was described as a "broad-based government".

Moses Kuria, a former minister, quipped that although Odinga was the official opposition leader he was "always in the warm corner of the opposition".

Chip supply threatened as South Africa and Taiwan discuss recognition

Taiwan had planned to restrict the export of advanced chips to South Africa amid a row over its diplomatic status, but talks are ongoing, reports **Harry Clynch**.

In late September Taiwan briefly imposed restrictions on the export of advanced semiconductor chips to South Africa, amid a diplomatic row over the status of Taipei's de facto embassy in the country. In 2023, shortly after hosting a BRICS summit, South Africa, a close ally of China, asked Taiwan to move its representatives outside the capital, Pretoria, allegedly under pressure from Beijing.

In February this year the South African government set a March deadline for the move to be completed. This was ignored. In July, the South African government issued a government gazette officially withdrawing its diplomatic recognition of Taiwan's representative office in Pretoria.

South Africa imports about $30m of chips a year from Taiwan, according to the Pretoria-based Taipei Liaison Office. Taiwan is one of the world's largest manufacturers of the technology and the export threat was seen as a rare mobilisation of its economic power for diplomatic goals. Taiwan's foreign ministry said that the restriction was suspended after South Africa agreed to talks on the diplomatic status of its office.

In mid-October, Taiwan's Ministry of Foreign Affairs said it was still reviewing a new agreement proposed by the South African government to regulate the status of reciprocal representative offices. Foreign affairs minister Lin Chia-lung said that the ministry was consulting with legal experts on the proposed new agreement. While the new proposal offers Taiwan greater flexibility, the ministry does not find it acceptable, according to the English-language *Taipei Times*.

China has pressured African allies to abolish diplomatic ties with Taiwan, which it sees as an illegal breakaway province.

Supply chain fears

While the u-turn was swift, the spat has raised fears that some South African industries reliant on chips could be exposed to future actions. South Africa's foreign ministry complained that the measures sought to "disrupt the stability of the global supply chain of semiconductors".

Chris Hattingh, executive director at the Centre for Risk Analysis in Johannesburg, tells *African Business* that "while the immediate impact of this to the South African tech sector would be minimal, there is a risk for the auto sector, given so many manufacturers in South Africa are reliant on those chip imports." He is concerned that deteriorating relations between Pretoria and Taipei could impact the 450 factories he says are owned by Taiwanese entrepreneurs in South Africa, which employ around 40,000 people across the country.

Menzi Ndhlovu, a senior political and economic analyst at the Signal Risk consultancy in Cape Town, says that "the message from Taiwan is that South Africa should remember that they have substantial leverage over semiconductors."

"Although overall trade between South Africa and Taiwan is not particularly high – Taiwan ranks as South Africa's 25th largest trading partner – what is traded is particularly important, and there are very few substitutes," Ndhlovu adds.

The row comes at a time when South Africa is also having to deal with diplomatic challenges on several fronts, with relations with the United States particularly poor under the presidency of Donald Trump since a chaotic Oval Office meeting with President Cyril Ramaphosa in May.

The biggest chip-producing company globally is Taiwan Semiconductor Manufacturing Company.

Business Intelligence **News**

Sun King targets next growth phase with factory

The solar company is launching its first manufacturing site in Kenya, following a $156m securitisation deal to help grow operations in the country earlier this year, writes **Emily Allen***.*

Off-grid solar energy company Sun King, which offers solar equipment for homes and businesses, will open its first large-scale manufacturing operations in Africa near Nairobi. The 7,600-square-metre facility will serve as the firm's regional manufacturing hub for East Africa and its first large-scale manufacturing site in Africa. It will initially produce up to 700,000 televisions and smartphones – designed to use solar power – per year, with scope for further expansion. The firm says the facility "aims to reduce import dependency, shorten supply chains, and increase local value creation, supporting governments' efforts to promote industrialisation, resilience, and inclusive economic growth". It said the new plant has created 180 jobs locally, and that it expects an additional 170 within five years, and that there will be skills and training partnerships with Kenya's National Industrial Training Authority and local universities.

Earlier this year it closed a $156m securitisation deal to accelerate the rollout of off-grid solar systems in Kenya. Patrick Walsh, co-founder and CEO, says the debt-financed deal highlights the growing appetite of Kenyan and regional financial institutions in supporting Africa's fast-maturing clean energy ecosystem.

Commercial banks ABSA, Citi, the Co-operative Bank of Kenya, KCB Bank and Stanbic Bank Kenya supported a senior tranche, while a mezzanine tranche was supported by development institutions British International Investment, the Netherlands' FMO, and Norway's Norfund.

This securitisation is part of Sun King's broader effort to raise local currency capital across Africa. So far it has raised $450m across Kenya, Nigeria, and Tanzania, including a 2023 securitisation of $130m. "Local currency financing is critical – it allows us to provide affordability and security to the end user," Walsh told *African Business*.

Pay-as-you-go model

The firm's products range from solar lanterns to multi-kilowatt solar systems capable of replacing supply from the electric utility. Households can make payments starting from 25 shillings ($0.19) per day through mobile money apps.

The securitisation is expected to deliver loans that will enable the purchase of approximately 1.4m solar products and smartphones in Kenya. Sun King says it has extended $1.3bn in solar loans to almost 10m individual customers across Africa. Its network of 34,000 field agents sell, install and service its products.

"We are the largest distributor of solar energy solutions in Africa, focused on people who either don't have electricity or rely on unreliable power," says Walsh.

With operations in 11 African markets – Benin, Cameroon, Kenya, Malawi, Mozambique, Nigeria, Tanzania, Togo, Uganda, South Africa and Zambia – the company plans further expansion. "We want to make sure everybody on the continent has access to these products," Walsh says. "That means scaling in new regions, rolling out larger solar systems and appliances, and deepening ties with local banks to secure affordable financing."

Anish Thakkar, co-founder of Sun King, said the deal "shows that African commercial banks believe in the power of pay-as-you-go solar and are ready to back it with serious capital. Return-seeking local capital in local currency is essential to unlocking the scale and speed needed to achieve universal energy access."

sun king
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Acumen raises $246m to electrify 17 hard-to-reach African nations

The firm is seeking to apply lessons learned in countries like Nigeria and Kenya to countries where off-grid solar remains nascent today, reports **Ben Payton**.

Acumen, an impact investment firm, announced during New York Climate Week that it has raised $246m for its "Hardest-to-Reach" initiative. The fund is designed to finance efforts to expand electricity access in 17 African countries that have some of the world's lowest levels of electricity access.

Jiwoo Choi, chief of strategic initiatives at Acumen, says the initiative is focused on delivering off-grid solar power as a solution to the electricity gap in these countries. Acumen has been financing off-grid solar since 2007, she tells *African Business*; with the Hardest-to-Reach initiative it is seeking to apply lessons learned in countries like Nigeria and Kenya to countries where the technology remains nascent.

"The technology is available, it's affordable." But Choi says it remains difficult to distribute solar technology in the least-developed countries, especially in rural areas. "That's the challenge that we are trying to solve."

Some have expressed scepticism that renewables are the solution for electricity access in Africa.

In September US President Donald Trump described green energy as a "scam" in a speech to the United Nations.

His energy secretary, Chris Wright, has dismissed solar, falsely claiming in a recent social media post that wrapping the Earth in solar panels would meet only 20% of global energy needs. In fact, the US Department of Energy itself says: "the amount of sunlight that strikes the earth's surface in an hour and a half is enough to handle the entire world's energy consumption for a full year."

"The cost-effectiveness of solar is actually much better than diesel," Choi says, adding that solar kits need to have small batteries to provide some power at night. Other solar applications – such as solar-powered irrigation systems – do not necessarily need battery power, since they operate during daylight hours.

Meanwhile, there is growing evidence that solar is gaining traction across the continent. Africa's solar panel imports from China have grown by 60% in the past year, according to energy think tank Ember.

Financing challenges

The Hardest-to-Reach initiative includes a debt vehicle, which has received $189m in funding pledges and provides loans to help companies extend off-grid energy. A separate fund that has raised $57m provides a mix of debt, equity and grants to help "market-building businesses". Investors that have committed to the fund include development finance institutions the Green Climate Fund, British International Investment and the International Finance Corporation. It has already received commitments from commercial sources, including South Korea's Shinhan Bank.

Yet Choi admits to being "nervous" about securing the finance needed to continue efforts to electrify the poorest countries. "It's not going to be easy at all. It's going to be a lot of work."

Acumen is one of the partners of the Mission 300 initiative, led by the African Development Bank and World Bank, which aims to bring electricity access to 300m people in Africa by 2030 and in September unveiled 17 new "national energy compacts".

Business Intelligence Deals

IFC backs $1bn critical minerals, metals and mining fund

London-headquartered Appian Capital Advisory has launched a $1bn critical minerals, metals and mining fund for emerging markets in partnership with the World Bank's International Finance Corporation. It will finance mineral development projects across all stages, including construction, production and expansion. It will target equity, credit and royalty investments in the metals, mining, and adjacent industries across emerging markets, with a focus on Africa and Latin America. Its first investment is the Santa Rita nickel-copper-cobalt mine in Brazil's Bahia state

Coca-Cola companies consolidate across the continent

Coca-Cola HBC, the consumer packaged goods business and bottling partner of the Coca-Cola Company, has acquired a majority stake in Coca-Cola Beverages Africa with a path to full ownership. The acquisition, subject to regulatory approvals and targeted to be completed by the end of 2026, creates the second largest Coca-Cola bottling partner by volume globally with positions in Africa and Europe. Coca-Cola Beverages Africa operates in 14 markets across the continent, representing around 40% of Coca-Cola volumes. Coca-Cola HBC intends to pursue a secondary listing on the Johannesburg Stock Exchange.

Moniepoint raises $200m for further fintech growth

Fintech Moniepoint has announced a $200m Series C fundraise. The round was led by Development Partners International's African Development III fund, with the final close anchored by LeapFrog Investments. Other investors in the round include Lightrock, Alder Tree Investments, Google's Africa Investment Fund, Visa, the International Finance Corporation, Proparco, Swedfund and Verod Capital Management. The company said the proceeds will be used to power the company's next phase of growth.

West African Development Bank issues €1bn in priority project bonds

The West African Development Bank (BOAD) has completed a €1bn ($1.16m) bond issuance with a 15-year maturity. The bank said that the proceeds will be used to fund "priority high-impact projects across WAEMU [the West African Economic and Monetary Union]". The bank said that investors from the United Kingdom and Ireland accounted for 49% of the allocation, followed by 23% from Germany, Austria and Switzerland, 13% from the United States and 10% from the rest of Europe. Asia accounted for 1%. Asset managers represented 74% of the allocation, with hedge funds at 14%.

Below: Prospect Lithium Zimbabwe's processing plant in Goromonzi, 80 km southeast of the capital, Harare.

Business Intelligence Deals

New telecoms company Paradigm moves into Rwandan towers

Paradigm Tower Ventures, a newly established sub-Saharan African telecoms towers platform, has acquired US firm IHS Towers' Rwanda business in a $275m deal. The transaction transfers ownership of approximately 1,467 tower sites across Rwanda to Paradigm, establishing the platform as Rwanda's largest independent tower operator. The tower sites support the networks that enable 5.3m Rwandans to access mobile money and other digital services. Paradigm investors include Convergence Partners, British International Investment and France's Proparco.

$50m financing for micro, small and medium enterprises in Tanzania

Tanzania's CRDB Bank has entered three partnerships with development finance institutions. Through a partnership with FinDev Canada, CRDB Bank secured a $60m sustainability-linked facility to expand financing for micro, small and medium-sized enterprises. With DEG (part of Germany's KfW Group) the bank will access a $50m facility dedicated to small and medium enterprise (SME) sub-loans, supporting business growth, innovation and job creation in Tanzania. The bank has also signed a partnership with Shelter Afrique Development Bank to address the region's housing deficit, beginning with a $10m facility in the Democratic Republic of the Congo.

Enko Capital raises $100m for sub-Saharan mid-market companies

Enko Capital, an Africa-focused alternative asset manager, has announced the first close of its impact-focused fund, with $100m raised toward its final target of $150m. Investors include British International Investment; the International Finance Corporation, the private sector arm of the World Bank Group; SICOM Global Fund; as well as an unnamed European impact investor and African pension funds and family offices. The fund provides US dollar-denominated private credit to mid-market companies across sub-Saharan Africa, focusing on established businesses in non-cyclical sectors such as agriculture, telecommunications, manufacturing, renewable energy and financial services.

AXIAN takes 85.6% stake in Zambia's Bangweulu solar plant

Mauritius-headquartered AXIAN Energy has acquired the Bangweulu solar photovoltaic (PV) power plant in Zambia, marking the company's entry into the Southern African market. The facility in Kafue District, Lusaka Province, has an installed capacity of 54.3 MWp (peak megawatts) and will produce an average of 87 GWh per year to supply clean energy to 82,500 homes. The plant's development was financed by the International Finance Corporation and the US International Development Finance Corporation and has been part of the World Bank's Scaling Solar programme. AXIAN Energy becomes the majority shareholder with 85.6% of the shares, alongside the Industrial Development Corporation of South Africa, which retains 14.4%.

November's G20 Summit is South Africa's most significant global event in over a decade. But pushing for bold reforms that benefit Africa and the Global South while managing a truculent United States will be an enormous test of its diplomatic ability, writes **David Thomas** *in Johannesburg.*

G20: SOUTH AFRICA'S BIG TEST

From 22 to 23 November, South Africa plays host to arguably its most important international event since the 2010 FIFA World Cup, when world leaders and tens of thousands of delegates head to Johannesburg for the G20 Summit, the conclusion of the country's year-long presidency of the geopolitical bloc.

On arrival at OR Tambo International Airport, travellers are greeted by a large photograph of a beaming President Cyril Ramaphosa, framed by the national flag and the insignia of the G20, exhorting visitors to enjoy their stay in the "beautiful country". But few delegates can expect a relaxing vacation taking in the glories of Table Mountain and the wildlife-filled drives of the Kruger National Park.

At the end of a year defined by global trade tariffs, geopolitical mistrust and ongoing wars that have sundered the international community, the summit is a critical moment for the diplomatic corps of the world's 19 major economies – including the US and China – plus the European Union and African Union – to meet face-to-face and stake out some common ground.

Driving into Johannesburg, delegates are further greeted with billboards illustrating a set of scales and advertising the three major themes chosen by South Africa to guide the policymakers in their discussions: solidarity, equality and sustainability.

Non-alignment and multilateralism: the test

While the scales are intended to represent the global balance of justice, they might equally illustrate the diplomatic balancing act that South Africa faces as host of an often-fractious bloc. For a country that has found itself straddling geopolitical faultlines between East and West and the Global North and Global South, while assuming (not always seamlessly) a leading role in African affairs, hosting the G20 will be a key test of its long-term commitment to non-alignment and multilateralism.

Long before the summit, there were already ominous signs that the new US administration was preparing to extend its wilfully disruptive influence to the event. President Donald Trump will not attend in person. His secretary of state Marco Rubio boycotted a G20 foreign ministers' meeting in Johannesburg in February – accusing South Africa on Twitter of peddling a G20 agenda defined by the administration's pet hates: "DEI [diversity, equity and inclusion] and climate change."

Yet while the summit is expected to be a severe test of South Africa's diplomatic nous, experts say that the G20 also offers a rare chance for South Africa to put its interests – and those of the African continent and the Global South at large – at the centre of the international agenda, all while promoting the country as a major investment destination.

It's an opportunity, says Steven Gruzd, head of the African governance and diplomacy programme at the South African Institute of International Affairs, that the country's government is grasping with both hands. "They're definitely taking it seriously; they've put a lot of effort into it. It's prestigious for Africa, and they've been very careful to try to create some continuity between the last four presidencies – which were Indonesia, India, Brazil and now South Africa. So developing world priorities – things like fairer global justice, reformed global governance institutions, more voice for Africa at international forums, a fairer multipolar world order – all of those things fit very neatly into South Africa's foreign policy."

G20
SOUTH AF
G2
SOUTH A

Amplifying Africa

As early as his State of the Nation address in February 2024, President Cyril Ramaphosa pledged to use the first ever African presidency of the bloc to "place Africa's development at the top of the agenda when we host the G20 in 2025". By February, when Ramaphosa addressed the G20 foreign ministers' meeting in Johannesburg, that pledge had been crystallised further. "Africa is home to some of the world's fastest-growing economies and faces unique challenges, such as the impact of climate change, development needs and the effects of global trade dynamics.

"The Summit's location underscores the need for African voices to be heard on critical global issues, like sustainable development, the digital economy and the shift toward green energy. It is a great opportunity to promote greater collaboration between African nations and the rest of the world."

Ramaphosa also says that the forum offers a chance to highlight Africa's debt concerns, challenge the continent's inflated cost of capital – it costs the continent more to borrow money for critical infrastructure projects than other regions – and to promote its role as a major future supplier and potential source of value addition in the critical minerals value chain.

He has launched an African Panel of Experts to work on recommendations addressing impediments to growth and development in Africa, including the cost of capital, in addition to launching the G20's Extraordinary Committee of Independent Experts on Global Wealth Inequality, chaired by Nobel Prize-winning economist Joseph Stiglitz. There will be further room for discussion of the African Continental Free Trade Area (AfCFTA) and debate around the methodologies used by international credit ratings agencies when judging African risk.

Music to African ears

All of this is music to the ears of African countries, many of which in the past have not felt adequately represented on the global stage by their often wealthier and more visible neighbour.

Christopher Vandome, a senior research fellow with Chatham House's Africa programme and global economy and finance programme, says that placing Africa at the heart of the G20 offers an opportunity for South Africa to tie itself more closely to a continent which historically "doesn't necessarily like South Africa speaking on its behalf".

"It's a really important way of cementing the relationship with the African Union. The politics of the African Union doesn't really reflect the politics of Southern Africa – its much more dominated by East African and West African voices, and this is an important opportunity for South Africa to showcase the African agenda and priorities for Africa, in what is being done in quite a delicate and sensitive way. This is not South Africa representing Africa, this is South Africa being a conduit and a platform to allow Africa to speak to the world."

Gruzd agrees that the G20 could represent a new dawn in relations between South Africa and the continent at large. "I don't know whether Africa yet accepts the voice of South Africa – they are still guarded, still wary. We've had the horrible xenophobic violence that has flared up from time to time, and that has really hurt relations – I think to a much greater extent than South Africa actually acknowledges and recognises. But they are going full bore at this and giving it a good shot and taking it seriously, and I think there's renewed confidence."

That diplomatic push extends to firming up partnerships with non-African nations of the Global South. South Africa will be the last of four Global South nations to host the G20 following Indonesia (in 2022), India (2023) and Brazil (2024).

"This is a completion of the presidencies of the democratic nations of the Global South… it's about a legitimate voice of democratic nations of the Global South having their view, putting their priorities around the reform of global governance, better representation of Global South partners within the governance institutions, and a stronger representation of the developmental agenda," says Chatham House's Vandome.

Cas Coovadia, sherpa for the B20, the G20's official business forum, says that the 30 business recommendations submitted to the bloc from a league of eight taskforces have focused on traditional themes of common concern (*see page 16*). This year, however, particular attention has been paid to the concerns of African and Global South nations.

"There are all sorts of recommendations supporting open economies, free trade and multilateralism – but this is also an opportunity for a reset. Multilateral institutions need to reflect the changing global economics and there needs to be better representation from the South."

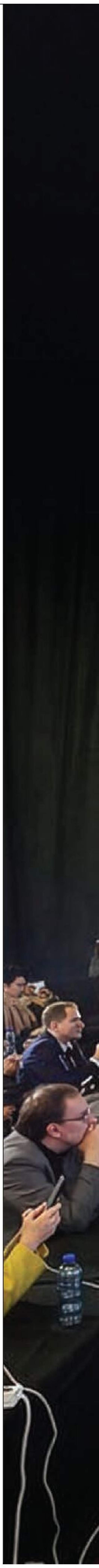
Will Trump spoil the party?

That is an agenda with which, by and large, the United States is not on board. JD Vance, Trump's combative vice-president, is due to be the most senior US representative present in Johannesburg. Vance's take-no-prisoners foreign policy speeches – even those directed at traditional European allies – should be a warning of what might be coming down the track.

South Africa has attracted particular US ire, not least for initiating action at the International Court of Justice against US ally Israel for alleged genocide during its war in Gaza: the court ordered Israel to take all measures to prevent any acts contrary to the 1948 Genocide Convention. South Africa has been hit with tariffs of 30% by the US. Its president sat through an Oval Office meeting overseen by Trump parroting discredited claims of mass killings of South African whites. The US is unlikely to extend diplomatic niceties to South Africa as G20 host.

"I think they've been a little bit upset by the Americans, who have different priorities now – [Marco] Rubio didn't come for the foreign ministers meeting, [US secretary of the treasury Scott] Bessant didn't come for the finance ministers meeting, Trump's not going to come, which is maybe not a bad thing," says Gruzd. "He's going to send Vance and Lord knows what he's going to say – he caused quite a splash at the Munich Security Conference [when he accused European nations of 'censorship'], so I would imagine there's going to be some grandstanding. But I think South Africa has been

Opposite: South African President Cyril Ramaphosa speaks to the press after the opening of the G20 foreign ministers' meeting at the Nasrec Expo Centre in Johannesburg.



‘Multilateral institutions need to reflect the changing global economics and there needs to be better representation from the South’

a little disappointed at the US spoiling the party." Still, South Africa will be desperate to avoid an overt diplomatic rupture.

Busisiwe Mavuso, CEO of Business Leadership, the organisation that represents South Africa's largest corporations, says that South African jobs depend on smooth relations with the Americans, pointing to jobs lost in the automotive and agricultural value chains by the lapsing of the US's tariff-free African Growth and Opportunity Act (AGOA: *see page 20*).

"I don't think we can ever underestimate the importance of US relations and the partnership as the South African community. That is why our government is hard at work trying to find a way to reset the relationship. The US has mattered a lot for South Africa and the broader African continent, and will continue to matter."

Solidifying partnerships

While the summit is likely to see South Africa and other nations delicately tiptoeing around the US elephant in the room, there is still an opportunity to cement valuable partnerships with other Western partners, who show little interest in following the US. "What's happening in the States is problematic, [but] it's opened space for new relationships and new alliances. Colleagues in Europe, Canada and elsewhere are saying they believe there's a possibility of opening up a different type of discussion because – simplistically – you've been tariffed, we've been tariffed, let's talk to each other," says Coovadia.

'What's happening in the States is problematic, but it's opened space for new relationships and new alliances'

In October a group of European Union diplomats published an opinion article in South Africa's *Sunday Times* newspaper in which they pointedly referred to themselves and South Africa as "reliable and predictable partners committed to forging a new era of co-operation in the pursuit of peace, development and prosperity… While some have turned their attention elsewhere, the EU not only remains engaged, we are doubling down with our support and are here to stay… We have fully supported South Africa's G20 presidency and its theme of solidarity, equality and sustainability throughout this important year," they wrote.

Vandome says other countries spy an opportunity to engage with South Africa – and Africa and the Global South at large – in the face of US disinterest. "There's been a big announcement by the EU at the beginning of the year, and again in the last few weeks, around increasing EU engagement and prioritisation of South Africa.

"The UK similarly sees opportunities there, as do Australia and Canada. There's a sense of 'OK we get it, the Americans are not coming' – this can't be interpreted as a major snub on South Africa and the G20 in a way that ripples though everybody else. With America tending at a lower level, it's actually seen by others as an opportunity to engage and double down.

"South Africa will be looking to secure various other bilateral agreements with other countries and use it as part of its economic policy, bringing investors in, showcasing what they've got and trying to secure economic relationships."

Defining success

Amid the tangled geopolitics, what will G20 success look like for South Africa? For those working with the B20, the goals are perhaps clearer cut. "Given the current geopolitical situation, given the uncertainties around multilateral trade, and given the shift in global economics and the separation into different blocs, we think that both the G20 and the B20 can bring governments from the biggest economies together to actually discuss these things," says Coovadia.

Mavuso agrees that bringing governments together to discuss the global trade agenda in an era of tariffs and dislocation offers a potential win in itself. "Building trade relations is not a business-to-business conversation, it's a government-to-government conversation. We can have conversations but we're also dependent and reliant on our political principals to actually come up with the relationships that will make the business-to-business part work," she says. For the G20 at large, defining success might be trickier. Given the potential spoiler role of the US, a closing communiqué that brings all the parties together in agreement and amity might be a bridge too far. Instead, says Vandome, agreements on smaller agenda items would be a positive.

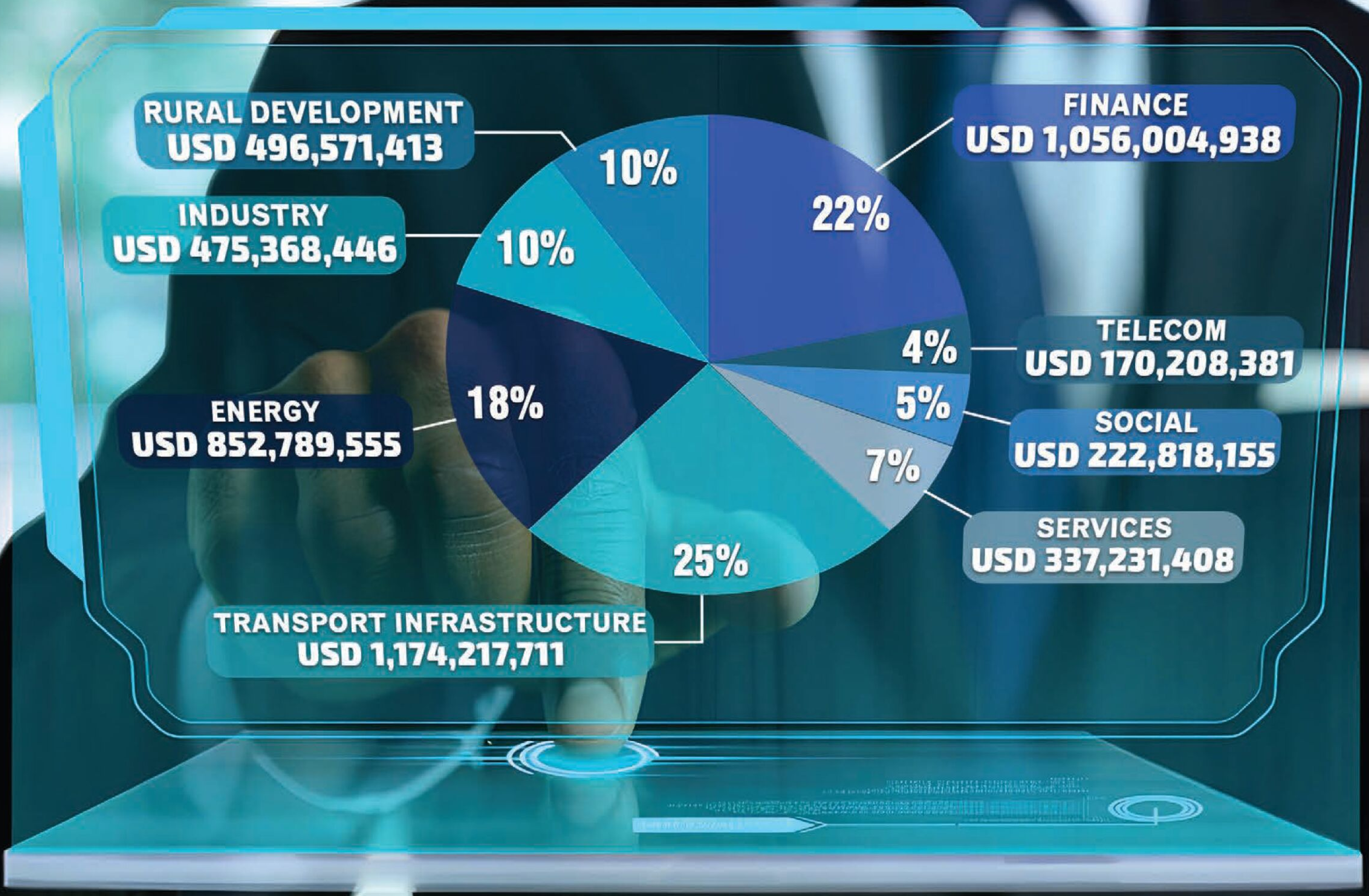
"We've got to perhaps look at this in comparison to other G20s. What is it that other G20s have tried to achieve and been able to achieve? Does the G20 ever achieve some of these things?

"South Africa has from the outset put in place quite an ambitious agenda. Even if there's no declaration, some agreements and commitments around debt and the availability of capital for development in Africa will be a positive thing. Some kind of agreement around supporting exploration or engaging more deeply around value addition for minerals will be a good thing. There's stuff that can be achieved without a comprehensive or unitary declaration at the end."

Ultimately, says Gruzd, South Africa can stick to its guns and leverage the support of other G20 nations to pass important agenda items for Africa and the Global South – even if commitments in a communiqué prove elusive. "South Africa is not going to step back from what it believes in this. I think it has a lot of support from the other G20 countries to stay firm and, yes, we are going to talk about the climate, a fairer global system and global governance reform. They'll have to manage the Americans. If the G20 goes back to its core issues which are ultimately financial and economic, then I think it can make some progress.

"You've got to remember these are discussion forums, they are not decision-making forums. So I think one should be modest in the expectations. What will success look like? Everyone being safe, the right kind of positive headlines, the meetings going without a hitch, a big presence of the big delegations." ■

Above: US President Donald Trump during the infamous meeting with South African President Cyril Ramaphosa in the Oval Office of the White House in May.



EBID'S COMMITMENTS AS AT JUNE 30, 2025

USD 4,785,210,007

Cas Coovadia, sherpa to the B20 business summit

Cas Coovadia is taking on his toughest lobbying role yet – persuading the G20 countries to adopt a set of 30 recommendations from senior business leaders. **David Thomas** *reports from Johannesburg.*

Summit sherpa takes to skies on mission of persuasion

With a "crazy" travel schedule spanning Ghana, the UK, the US, Saudi Arabia and his home base of South Africa in just a few weeks, Cas Coovadia is on a global mission to lobby countries around the world ahead of November's G20 in Johannesburg. As "sherpa" of the B20 – the G20's official dialogue forum for the global business community – Coovadia has spent months forging consensus among eight taskforces populated by business leaders from across the G20 nations.

Armed with 30 hard-won recommendations from the taskforces, he now seeks to persuade G20 governments – using every global forum possible – to adopt the measures when the politicians sit down together. Amid global trade turbulence, Donald Trump's tariff wars and growing challenges to multilateralism, the voice of beleaguered businesses has rarely been more relevant. Coovadia was head of lobby group Business Unity South Africa until April, so has a history of coaxing reluctant politicians into backing the business community – a trick he hopes to repeat at the G20.

Forging global consensus

"I think that this is probably the first opportunity that's presented itself for businesses and governments of the biggest economies to get together and talk about the current dynamics and what to do about it – so I think it's a critical juncture," he says.

"And from a B20 point of view it's not necessarily business-to-business issues [that matter most], its policy development issues, and to actually get people from the G20 countries together to look at what the policy implications are of where the world is today – the whole range of issues ranging from trade to digital transformation and energy and so on – is a critical objective."

The key to the B20's work this year, says Coovadia, was ensuring that the forum is much more than simply a "C-suite talking shop". Real-world impact is what Coovadia is aiming for. This, he says, meant gaining consensus as quickly as possible from a diverse group of leaders with sometimes competing interests and opinions.

A strong set of policy recommendations

"We've been very fortunate; the chairs we appointed for various taskforces are seasoned CEOs who have been involved in multilateral discussions. They've all headed or chaired global companies, they have the experience of negotiation and trying to reach agreement.

"Our guidance for the chairs from the beginning is that we don't want consensus paralysis – have the debates, and if there's no consensus after a couple of shots, then whatever the majority of the B20 countries feel will be the views of the B20."

Where deadlock set in, Coovadia was prepared to intervene as sherpa. This "all helped to get us to outcomes that are worth more than the paper they're written on," Coovadia says.

The result is 30 recommendations spanning finance, trade, food security, energy, digital transformation, integrity, skills development and industrialisation. At the heart of these is an acknowledgment of the interests of host continent Africa, and the Global South more generally. Our hosting of the B20 is critical – we are the fourth consecutive host country from the Global South (following Indonesia, India and Brazil) before we hand back to the North. Bringing together C-suite businesspeople from the G20 countries as well as the rest of the continent – because we've been very clear that Africa is at the centre of this B20 – is important."

Coovadia says that there has been an acknowledgement from B20 business leaders that recommendations which directly support Africa will help to raise all ships in the global economy.

"The reason we reached consensus on recommendations across the G20 countries is, I think, that other countries see the synergies between the growth of Africa and the development of the globe.

"There are some pretty good recommendations on financing, structures of financing, the way ratings agencies look at countries in the South without real data, promoting trade, and looking at AI and digitalisation from the scope of inclusion. We had a taskforce on industrial transformation and development, and we felt that is critical for our country [South Africa] and the continent – reindustrialising and ensuring we utilise the opportunities on the continent for the benefit of the globe."

Policies that can actually be implemented

The other priority, Coovadia says, was deciding on policy recommen-

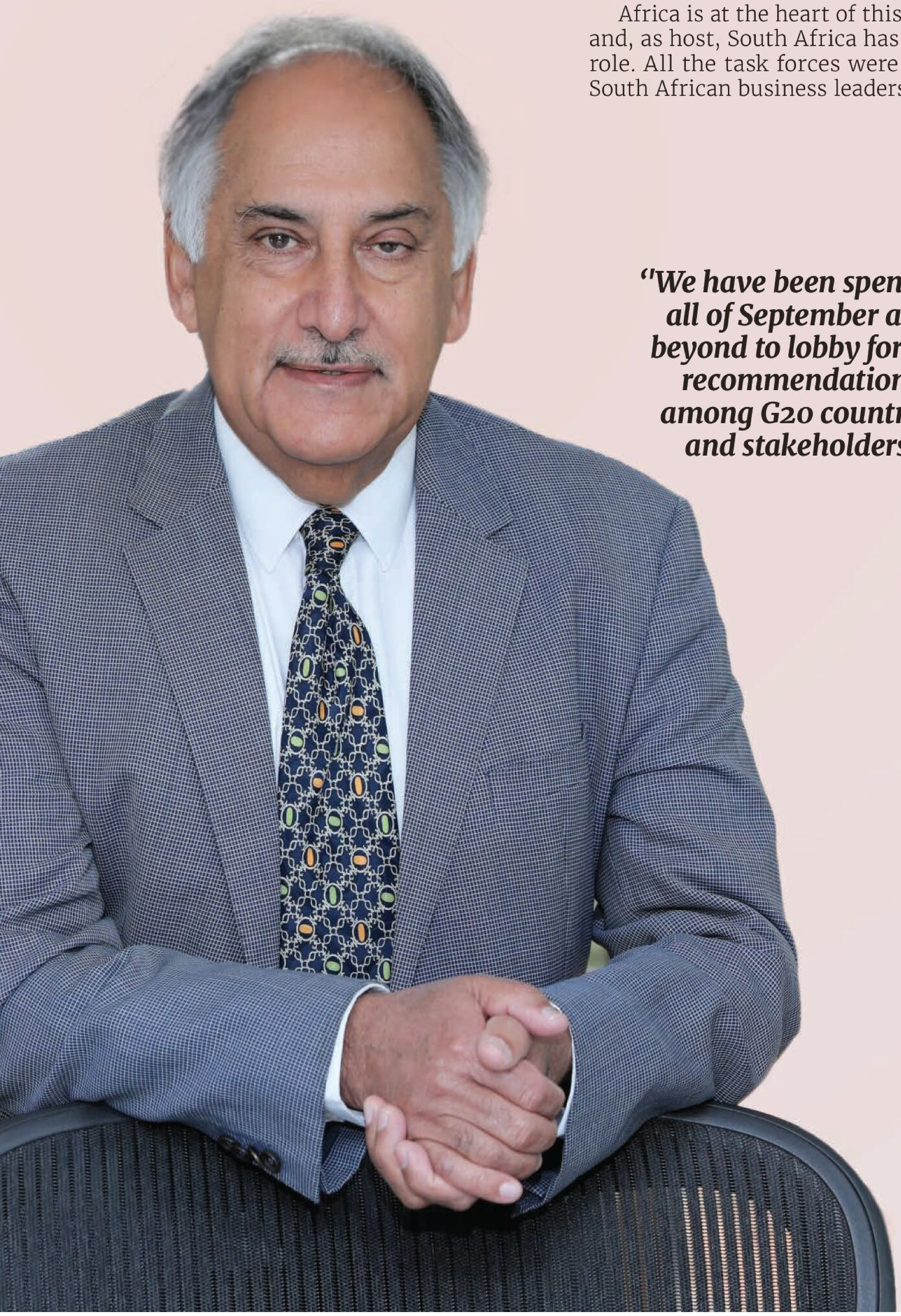
dations that are implementable rather than fuel for protracted global debates. "We committed up front that we want these recommendations actually to be implemented and we want to be able to measure the impact. We say: here's the issue, here's the recommendation, here's who should be implementing it.

"So if we look at the inclusion of digital infrastructure, right now 20% of people globally have access – if our recommendation is implemented by 2030, 80% should have access."

Africa is at the heart of this year's B20, and, as host, South Africa has an obvious role. All the task forces were chaired by South African business leaders, including executives from Standard Bank, Naspers and others. Coovadia's former colleagues at Business Unity South Africa are acting as B20 "host organisation".

But, Coovadia reminds us, "The B20 sherpa represents the B20, the business organisations and C-suite people within the B20 countries. The recommendations that come out are B20 recommendations, not African and South African."

Nonetheless, Coovadia says the positions were warmly received by South Africa. "I met with [international affairs] Minister Ronald Lamola after we handed over the recommendations, and his initial view was that these recommendations resound with positions we are taking in South Africa and the G20, and we need to work together to try and get them reflected in the communiqué or whatever declaration comes out [of the G20]."



'We have been spending all of September and beyond to lobby for the recommendations among G20 countries and stakeholders'

The US elephant in the room

But Coovadia knows that if the recommendations are to succeed, they must appeal to all the G20 governments rather than just those of the Global South. Winning the support of a sceptical US administration – which has demonstrated its disdain for South Africa's hosting of the G20 and its agenda focusing on global equality – is critical.

"The trick here is obviously the US. I met the head of the US Chamber of Commerce in New York a couple of weeks ago – their job is a difficult one, not only in hosting next [the US will host the G20 in 2026], but they have to promote the recommendations with their government.

"And so before we finalised our recommendations we asked the US Chamber to cast an eye over all the recommendations and say, 'is this position written in a way that makes it less difficult for them to advocate for?'"

Flight to fight

Having handed its recommendations to the G20 on 4 September – well in advance of the B20 Summit on 18-20 November and the G20 Summit from 22-23 November – Coovadia says there is plenty of time for lobbying the US and elsewhere.

"The reason we did that is that we have been spending all of September and beyond to lobby for the recommendations among G20 countries and stakeholders globally. My travel schedule for the last couple of months has been crazy – I'm leaving tomorrow for Ghana, London and Riyadh. We are using all the tools at our disposal, working with critical stakeholders, to get them to talk to their governments, and that's the best we can do, and we'll see where that ends up." ■

What holds many creative enterprises back is not talent but the nuts and bolts of scale, says **Alex Davidson**, Head of Client South Africa, Global Markets, Standard Bank South Africa. How can it help?

How Africa's designers and artisans are shaping the continent's new identity

At any one time in Johannesburg, designers and artists can be found throughout the city putting their hard-earned skills to work. Often merging material and expression from Nigeria, Ghana and beyond, the city is a thriving demonstration of the collaboration, identity and purpose defining how African creativity moves fluidly between borders.

In the last year alone, at least 21 creative hubs have been mapped across Johannesburg. With the output from this growing creative economy gaining increasing international attention that's helping reimagine (and centre) African identity.

Given that financial institutions are not traditionally linked to the creative world, the question emerges, what role should they play in the space?

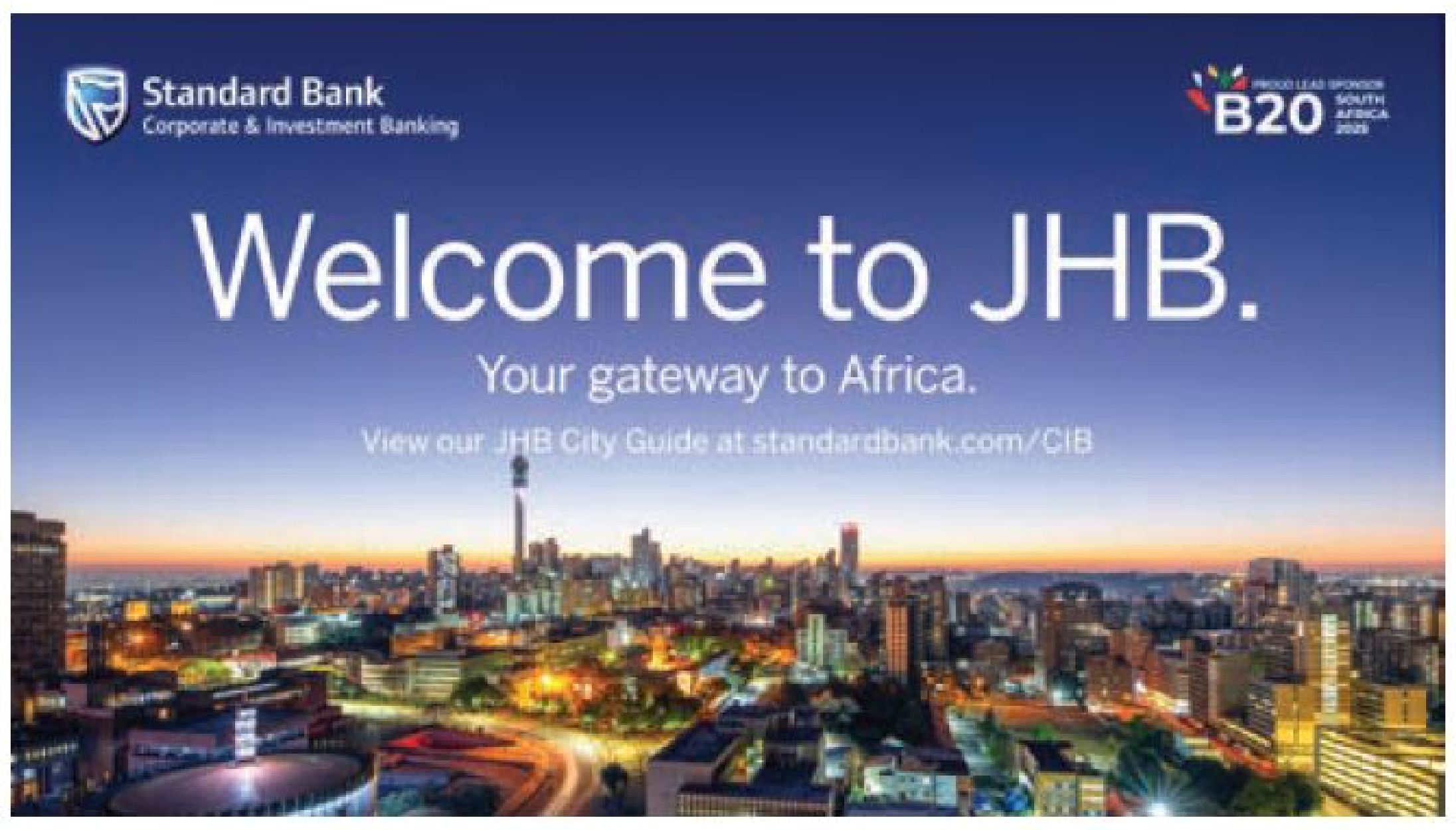
At Standard Bank Corporate and Investment Banking, we believe that the creative sector is as important as any other sector we enable. It is not only culturally important; it is a source of strong growth, export competitiveness and economic diversification. It contributes towards inclusive development and improves foreign currency liquidity, which remain a challenge in a lot of African countries. With our unrivalled presence across 21 markets on the continent, we believe we have a deep understanding of the continent's opportunities, and we are therefore positioned to partner in this transformation.

The creative economy as Africa's next frontier

According to UNESCO, the creative economy generates an estimated $2.25trn and supports roughly 30m jobs globally.

In South Africa, our creative industries account for just under 3% of GDP, far below their potential. For policymakers, investors and business leaders, we need to think creatively about how we unlock this cultural wealth and convert it into revenue, jobs and competitive brand power.

Africa's creative economy, currently valued around $4.2bn, is growing at approximately 7.4% annually and is attracting rising international interest. In the next five years, the continent could command as much as 10% of global creative goods exports (around $200bn in value) and in the process help create up to 20m jobs. Youthful populations, mobile connectivity, rising middle classes and strong diaspora linkages are fuelling demand for authentic content, culturally rooted design and African narratives.



In South Africa, for example, the fashion design sector contributes approximately 1bn rand ($58m) to the economy, while the craft industry generates about 2bn rand. Yet the latter is constrained by expensive raw materials, fragmented supply chains and limited export channels.

With stronger branding and certification, akin to Kenya's approach to coffee, export revenues could plausibly triple within five years.

What holds many creative enterprises back is not talent but the nuts and bolts of scale: infrastructure, capital, networks and cross-border pathways. Too many promising firms remain informal and locally constrained. They require bespoke finance solutions, to navigate contracts and logistics across jurisdictions, and guidance on currency and regulatory complexity.

Why local presence matters

Creative work is deeply contextual, which makes local presence essential. A pattern, motif or cultural reference that resonates in Johannesburg may feel unfamiliar in Nairobi or Lagos. At the same time, regulations, tax rules, intellectual property laws, import duties and market norms vary widely across African markets. This is why having a bank that truly understands these nuances is so important.

Our strength lies in this very fact. With 163 years on the continent and a presence in 21 African markets, we combine local insight with global capital markets expertise. Through our international interface, with bankers based in the Americas, Europe, the Middle East and Asia, we connect ideas, talent and capital between Africa and the world.

This footprint allows us to anticipate regulatory shifts, understand political risk, assist clients in managing market risk and navigate cross-border client needs in real time, all with cultural sensitivity. The international presence also enables us to connect offshore investors to investment opportunities on the continent, which in turn support the economic development of Africa.

From concept to scale — how we partner

Our role, put simply, is to walk with creative entrepreneurs from concept to scale. That journey often begins with advisory support such as refining a growth model, identifying priority markets and structuring partnerships or joint ventures. It then extends to capital solutions that blend debt, equity or hybrid instruments suited to the rhythms of creative businesses.

Transactional support follows, from foreign exchange and cross-border payments to import/export facilitation, logistics and supply chain financing. Alongside this, we help clients mitigate risk through

hedging, insurance and contractual protections. And as firms expand, we connect them into relevant ecosystems — hubs, incubators and shared services that reduce cost and accelerate learning.

Digital infrastructure is one of the major enablers of success for creative enterprises, which often depend on high-speed, reliable internet connectivity to produce, distribute and monetise their work. Many creative business models operate entirely online, whether through streaming platforms, digital marketplaces, or collaborative tools – making robust infrastructure not just beneficial, but essential to their viability and growth.

Recently Bandwidth & Cloud Services Group (BCS), a leading provider of fibre infrastructure across Africa, faced a critical challenge of securing commercial debt to fund its ambitious expansion into underserved regions. Despite its extensive fibre network of 80,000 km and 80m end-users across 15 countries, the company had yet to tap into commercial debt markets. Their business urgently needed flexible, scalable capital.

Leveraging our deep sector expertise and pan-African footprint, we acted as joint arranger and co-lender in the client's inaugural commercial debt raise, structuring a $42m term loan facility tailored to the unique demands of infrastructure development in emerging markets. We created a bespoke financing model that enabled BCS to accelerate its fibre rollout across multiple African markets, directly supporting its mission to enhance digital connectivity.

Our role in this transaction showcases our deep understanding of capital markets and our ability to deliver tailored investment banking solutions that elevate African-focused assets.

Our vision for Africa's creative economy

The horizon, as we see it, is a pan-African creative ecosystem. A network in which Lagos, Johannesburg, Nairobi, Accra, Kampala and Abidjan operate as connected nodes for talent, production and distribution.

In this vision of the future, brand identity, architecture, film, fashion, digital media and immersive experiences will move more easily across borders, supported by fit-for-purpose financial infrastructure and policy frameworks.

Standard Bank Corporate and Investment Banking intends to be a central enabler of that vision, not just as a financier but as an advisor, convener and partner. We believe investing in creative capital is investing in Africa's identity.

To governments, incubators, investors and creative entrepreneurs, our invitation is open: join us in building Africa's next identity.

When we say, "no one knows Africa better," we mean it. Our footprint, local insight, global reach and creative conviction uniquely position us to support the continent's creative future.

We understand the scale of the challenge ahead, to link artistry with investment, culture with commerce, and imagination with execution. Africa's creative energy is one of its greatest untapped assets. By pairing that energy with the right financial architecture, we can redefine not only industries but identity.

At Standard Bank Corporate Investment Banking, we believe that when Africa's creative energy is paired with the right financial frameworks, it can reshape industries and drive inclusive growth.

We are committed to supporting visionary creatives with tailored solutions that provide impact. Working together, we will build a bold, collaborative and distinctly African future. ■

Busisiwe Mavuso, who represents South Africa's largest companies, says that the global meetings are a chance to show off domestic reforms and forge ties with Africa, even in a tough global trading environment. **David Thomas** *reports.*

South Africa's big businesses to use G20 to tell a new story

For South Africa's largest businesses, the last few years have been one battle after another. From enduring electricity and water crises to Covid-19 lockdowns and global trade tensions, the country's business giants have struggled to exude their normal confidence. But for Busisiwe Mavuso, chief executive officer of Business Leadership South Africa, which represents the country's largest corporations, there is a feeling that the country is finally turning a corner – just in time to offer a compelling narrative as host nation of the G20 and its business counterpart, the B20.

"When we started with the [G20] presidency we were very clear that we'd like to use this as an opportunity to highlight that South Africa is a country on the mend – to highlight the great work that has been done from a structural reform perspective, to send a message which says South Africa is a market that has a lot to offer and is still the gateway to the African continent," Mavuso says.

'Business dared to intervene'

South African business has seized the opportunity to lead the agenda: CEOs of some of the biggest companies headed eight B20 taskforces, which offered 30 recommendations to the G20 on kickstarting economic growth *(see page 16)*. Mavuso herself serves as B20 advisory council chair.

"We wanted to offer that very clear narrative in terms of who South Africa is and the work that is being done to improve the trading environment in this country because we are not naive to the fact that it has not been a conducive trading environment for some time," she says.

Business lobbying and intervention has, Mavuso says, been crucial in persuading government to finally prioritise fixing the country's woeful electricity supply problems. She points to the "amazing" progress in power supply; power cuts were the norm in 2023, happening on a majority of days; but just 26 hours of load-shedding were recorded between 1 April and 28 August 2025, across a handful of days (*see page 24*). The country has experienced none since, according to power utility Eskom. Some of that is undoubtedly due to businesses and households seeking supply from independent power producers, but Mavuso says the government has also played its part.

"Government has seen the progress the country has made and how much we've turned the corner precisely because business dared to intervene. They see the importance of the reform agenda. We've been screaming and shouting it for quite some time."

Saving Johannesburg

Having done a "decent job of showing politicians the importance of this business-government partnership," Mavuso now wants to apply that momentum to one of the country's biggest challenges: fixing Johannesburg. Basic infrastructure and services are crumbling in South Africa's economic capital, which has been badly led by 11 mayors in ten years. Poverty is worsening throughout the city and citizens say its decline is precipitate. William Gumede, associate professor at Wits University's School of Governance, recently said that the city is on the verge of "becoming a failed city, almost like a failed state".

Speaking from Business Leadership's offices in Sandton, in the city's still-affluent north, Mavuso says urgent intervention is needed from government and business to turn the city around. "We're now having conversations with the [South African] presidency as Business Leadership about how we can help to fix Johannesburg. Johannesburg is the economic heart of this country.

"When you look at Johannesburg and Cape Town you'll swear you're in two different countries. The infrastructure challenges; the maintenance that is just not being done; potholes on the roads; robots [traffic lights] not working; the water security challenges we're facing; the filth and so forth – the business community has been brought in to try and assist."

Easing public-private partnerships

As part of the intervention, Mavuso is urging the government to amend legislation to make it easier to fund improvements. Earlier this year, the government amended the restrictive National Treasury Regulation 16, unchanged for 15 years, to make it easier for businesses and government to embark on public-private partnerships (PPPs). But Mavuso says business is "adamant" that they must go further in reforming the rules if PPPs are to take root.

"We are very aware, as business, that the exogenous factors happening outside of South Africa, are something we can do very little

about – what we can do is fix our own environment." That external environment remains tough. The Trump administration has imposed tariffs of 30% on South Africa, and the lapsing of the US's African Growth and Opportunity Act (AGOA) in October is expected to be particularly damaging for textile, automotive and agricultural exporters who benefited from tariff-free access to the US market under the scheme.

"The tariffs that have been imposed on South Africa of 30% – they reduce our competitiveness as a country. I'm sure motor companies like Mercedes Benz and BMW that chose to set up in South Africa benefited a lot from those cars being manufactured here and are feeling the impact, because that industry was part of AGOA. If they now have to pay a 30% import tariff when they export from South Africa [to the US], we worry about whether they would not rather shut down factories here and go elsewhere where tariffs are 10%."

Mavuso says the tariffs could worsen the country's employment crisis. Official unemployment was 33.2% in the second quarter of 2025, with a startling youth unemployment rate of 46.1%. "We worry about the agricultural exports that are going to the US and what that would mean for the industry in South Africa. When you look at the South African labour market it is still characterised by unskilled and skilled labourers; industries like manufacturing, the auto industry, as well as agriculture, have a high propensity for absorbing those. It makes a bad problem worse."

> *'Government has seen the progress the country has made... precisely because business dared to intervene'*

The continent on the doorstep

While the polycrisis has been hugely damaging, South African's major companies have proved resilient and adaptable – not least by increasing their exposure to faster-growing economies in Africa and seeking to benefit from the rollout of the African Continental Free Trade Area (AfCFTA). Engagement with the rest of the continent is a key goal of the B20 and G20 process, Mavuso says.

African engagement "was our 'true north' going into the B20. We were very deliberate about trying to get as much as possible from the broader African participation in the different workstreams, and we did have great participation of African businesses," Mavuso says.

That willingness to engage more with other African markets extends to advocating for their shared interests through the B20 and G20 forums. "It's been encouraging to see how a lot of the B20 recommendations have finally come out, and quite a few are actually Africa and Global South focused. One, from the trade and investment task force, talks about accelerating African integration and seeks to look at how the global community supports full and fast implementation of the AfCFTA. There's a lot of excitement in terms of getting that going. It's a $3.4 trillion market.

"I think that speaks to the strategic importance of the African continent going forward. The work that has been done by the B20 taskforces is going to give us a very good foundation from which to start positioning ourselves as a market of the future."■

Construction to the upgrade to the N3 highway in KwaZulu-Natal.

The sun may be setting on South Africa's historic G20 Presidency, but a new dawn is breaking for African agency on the global stage. African Union participation as a full member was not merely a symbolic gesture; it was a hard-won seat at the table where the rules of the global economy are shaped, writes AUDA-NEPAD CEO **Nardos Bekele Thomas**.

From global platform to continental action: seizing the G20 legacy for African prosperity

For the first time, our continent's most pressing and often controversial development issues were not relegated to the sidelines but placed squarely at the heart of the agenda of the G20 group of nations. This diplomatic victory is, however, merely a prelude. The true legacy of this G20 Presidency will be determined not in meeting rooms, but by the actions we, as African policymakers, take in its wake. The global platform has been secured; now, we must build our continental future upon it.

The G20 dialogue successfully amplified three systemic challenges that have long constrained Africa's economic potential:

The discussions moved beyond acknowledging the problem to outlining a potential solution. Illicit financial flows (IFFs) are a persistent drain on our economies, siphoning away an estimated $88.6bn annually – a figure that far surpasses the official development assistance we receive.

This haemorrhage cripples our ability to mobilise domestic resources for critical investments in health, education and infrastructure. The G20 consensus on the need for transparency in identifying the beneficial owners of shell companies, strengthening tax administration capacities and implementing a global minimum corporate tax rate of at least

15% is a significant step forward. This global framework provides us with powerful tools. Our task now is to aggressively domesticate and enforce these measures, closing the loopholes that allow for profit shifting and base erosion. This requires not just new laws, but a fundamental strengthening of our institutions, investing in skilled revenue authorities and fostering cross-border judicial cooperation to track and repatriate stolen assets.

Punitive cost of capital

The deliberations brought into sharp focus the existential threat posed by the high cost of capital. About 20 African countries are either in debt distress or at high risk. This is fundamentally driven by a profound mispricing of risk by international financial markets.

A perception of high political risk, weak institutions and economic volatility leads to crippling risk premiums and lending rates that are often multiples of those offered to developed economies.

While financial instruments such as blended financing and partial credit guarantees can offer temporary relief by de-risking investments, they are a palliative, not a cure.

The permanent solution lies in a concerted, continent-wide confidence-building campaign. This necessitates enhancing data transparency – ensuring accurate, timely and accessible economic data is available to investors. More critically, it demands an unwavering commitment to strengthening our macroeconomic fundamentals: controlling inflation, managing public debt and maintaining flexible exchange rates. By presenting a unified front of macroeconomic stability, we can systematically dismantle the prejudices that inflate our borrowing costs.

Climate threat

Extreme weather events, from prolonged droughts in the Horn of Africa to devastating floods in West Africa, have a direct and immediate impact on agricultural output. Given that food items account for over 40% of the consumer price index in many of our countries, a failed harvest in one region can trigger inflationary waves across the continent, eroding purchasing power and threatening social stability. The G20's focus on global action is welcome, but it cannot be our primary line of defence. We must build our own resilience by diversifying our agricultural base, investing in climate-smart agriculture and developing robust early warning systems. Our national and regional strategies must explicitly mainstream climate adaptation to safeguard food security and macroeconomic stability.

The illusion of calm

African GDP growth is projected at 3.3% in 2024 and between 3.5% and 4.1% in 2025. Inflation is expected to moderate from 20.1% to 13.8%. This may be the calm before the storm. The resurgence of protectionist policies and escalating tariffs, coupled with steep declines in Official Development Assistance (ODA), pose a direct threat to our recovery.

Rising tariffs will deteriorate our trade balances, elevate fiscal pressures and exacerbate already high debt vulnerabilities. Sub-Saharan Africa's international reserves as a percentage of external debt stocks stood at a precarious 20% in 2023, down from 26% in 2018 and a stark contrast to 151% in 2017. This leaves us dangerously exposed to external shocks. The era of relying on external saviours is over. We have little choice but to look inward for development financing and strategically position ourselves as preferred investment destinations.

A four-point plan

The path forward requires a deliberate and unified shift from rhetoric to implementation. We propose a concrete four-point action plan:

Above: AUDA-NEPAD CEO Nardos Bekele Thomas with South African President Cyril Ramaphosa at the August Africa Water Investment Summit in Cape Town. Opposite: the President addressing G20 finance ministers and bank governors in Durban.

Accelerate the AfCFTA from a framework to a tangible reality: The African Continental Free Trade Area (AfCFTA) represents a $3.4 trillion economic opportunity. To move from promise to prosperity, we must:

Front-load infrastructure investment: The estimated need for $120.83bn in transport equipment by 2030 underscores the scale of the challenge. We must prioritise regional infrastructure projects. This requires leveraging public-private partnerships and directing pension funds and sovereign wealth funds towards infrastructure bonds.

Harmonise relentlessly: The real barriers to trade are often not tariffs, but divergent standards and regulatory regimes. We must accelerate the work of the AfCFTA Secretariat to harmonise product standards, sanitary and phytosanitary measures and customs procedures.

Advocate for coherent external engagement: We must proactively urge our G20 partners, including the United States and the European Union , to align their bilateral trade agreements with AfCFTA's Rules of Origin and tariff schedules. This will reduce complexity and compliance costs for our exporters, allowing them to tap into both continental and global markets.

Our continued reliance on the export of raw commodities leaves us vulnerable to volatile global prices. The strategic imperative is to develop robust regional value chains in key sectors such as agro-processing, automotive, pharmaceuticals and renewable energy. By doing so, we capture more of the value created on our own soil, create higher-skilled jobs and reduce our susceptibility to external shocks.

Digital trade now accounts for 25% of global trade, yet Africa lags catastrophically behind, with only 37% of our population connected to the internet. Investments in digital infrastructure – such as data centres, internet exchange points and fibre-optic cabling – are as critical as investments in roads and ports.

Mobilise African capital through African institutions.

The decline of Foreign Direct Investment (FDI) from $63bn in 2021 to $30bn in 2023 highlights the urgent need to catalyse internal capital. The initiatives led by AUDA-NEPAD are precisely what the moment demands. The operationalisation of the African Union Development Fund and the collaborative platform of the African Alliance of Multilateral Financial Institutions (AAMFI) are designed to de-risk and finance priority projects at a continental scale. We must now ensure these institutions are capitalised, professionally managed and empowered to become the primary vehicles for crowding in investments into energy, transport and telecommunications – the very sectors that will expedite the AfCFTA's success.

The G20 provided the stage and the microphone. We used it to articulate our challenges with clarity and conviction. The world is listening. Now, we must command the stage of our own continent. The way forward is not one of passive hope but of active, collaborative and implementation, sometimes difficult. It requires political will to push through regional integration, fiscal discipline to strengthen our fundamentals, and a visionary commitment to investing in our own future.

By executing this agenda with determination, we will do more than spur economic growth; we will systematically rebrand Africa from a high-risk destination to the world's next premier investment frontier. The legacy of the G20 is in our hands. Let us build a future of prosperity, resilience and self-reliant strength. The time for decisive action is now. ■

Despite the utility returning to profit for the first time in eight years, Eskom has yet to truly escape its financial malaise, reports **Ben Payton***.*

Miracle at Megawatt Park? Eskom posts profit, but faces uncertain future

After years of lurching from crisis to crisis, Eskom, the embattled South African electricity utility, finally had something to celebrate last month when it announced an annual pre-tax profit of 23.9bn rand ($1.38bn) – the first time in eight years that the state-owned company has been in the black. "Following years of constrained performance, we are beginning to see the tangible benefits of our recovery strategies, with marked improvements across key financial metrics," said Eskom's chief financial officer Calib Cassim.

Eskom, like other state-owned utilities, has been mired in various corruption and mismanagement scandals for many years; one former CEO even claims to have been targeted in a murder plot. Amid increasingly disastrous power cuts, known locally as "load-shedding", President Cyril Ramaphosa launched Operation Vulindlela – meaning "clear the way" – in 2020 in an effort to reform utilities. The government also appointed a new board for Eskom in 2022, bringing in greater technical expertise.

After losses of 34.6bn rand ($2bn) in 2023 and 25.5bn rand ($1.47bn) in 2024, the turnaround efforts now appear to be bearing fruit. Load-shedding has dropped dramatically over the last 18 months as breakdowns at coal-fired power stations have subsided, allowing Eskom to reduce costs by relying less on expensive diesel generators. But a daunting set of challenges still remains.

Opposite: Eskom's Arnot power station, 50 km from Middelburg in Mpumalanga Province.

Encouraging recovery

Eskom's ability to return to profit rests on several factors. Connor Vasey, director at advisory firm JS Held, says "by far the biggest contributor" to Eskom's revival has been the government's decision to help the parastatal relieve its debt burden. After multiple bailouts dating back 15 years, Ramaphosa announced a five-year debt relief programme in 2023.

"That massively reduced financing costs for the utility and basically created the space for all other interventions," Vasey says. He notes, for example, that it would not have been possible for Eskom to finance a major maintenance programme in 2023 without having first secured debt relief. This programme bore fruit the following year, when outages at Eskom's fleet of coal-fired power stations dramatically reduced.

According to Eskom, load-shedding took place on just 13 days in the 2025 financial year ending in March, compared to 329 days over the previous 12 months.

The government has now started to scale back its debt relief programme, in light of Eskom's improved financial performance. In the national budget in March, the Treasury estimated debt relief for Eskom would total 230bn rand ($13.3bn) over the period, about 24bn rand ($1.38bn) less than originally expected.

Meanwhile, Eskom itself credits a more than 12% hike in electricity tariffs as key to its improved finances. The utility has spent years lobbying the National Energy Regulator of South Africa (NERSA), the regulatory body that sets prices, to agree to tariff increases.

Kimera Chetty, lead advisor at consulting company Africa Practice, says the improved performance is down to "political will coupled with sustained coordination across multiple actors to steady the ship". Debt relief and reduced load-shedding, along with improved management and governance, have made a "decisive difference," she says. But Chetty points out that around half of Eskom's pre-tax profit came as a result of a tax settlement with the South African Revenue Service, which allowed it to receive rebates that had previously been disallowed on diesel payments from previous years.

And Eskom still has a long way to go on improving governance, she adds, with auditors pointing to ongoing problems. "If you strip out the one-off tax benefit, the profit is smaller. The audit opinion is still qualified, which tells you internal controls and reporting have not fully recovered. Plant performance has improved, yet it is not at target, and the system remains fragile. A lot of the revenue lift has come from steep tariffs that are tough on households and businesses."

"I would call this a credible first step, not mission accomplished," says Chetty.

Debt headaches

As well as Eskom's ongoing dependence on government support and increased tariffs, the most obvious cloud on the horizon for the utility is the fact that municipal governments are failing to pay their bills.

In South Africa, power users typically pay electricity bills to municipal governments, which are then supposed to pay Eskom in bulk. In practice, the system has increasingly broken down across large parts of the country. Jee-A van der Linde, senior economist at Oxford Economics Africa, notes that arrears from municipalities have increased by some 27% in the last financial year and now stand at 94.6bn rand ($5.46bn). It is a problem, he says, that poses "serious risks to South Africa's future energy landscape".

Of the country's 257 municipalities, 71 are included in a debt relief programme set up two years ago. This allows the municipalities to have their debts to Eskom written off by the national government, providing they pay their current bills on time. In practice, however, few have been able to meet this condition.

Eskom's struggle to collect revenue does, of course, pose a fundamental threat to its viability. "If a large share of the customer base does not pay, the model breaks," says Chetty. The utility is attempting to move more electricity users onto pre-paid meters, which allow it to disconnect electricity supplies if the customer fails to pay. The meters are also supposed to make it easier to detect theft and illegal connections.

Yet the success of these efforts remains uncertain amid a troubled initial rollout. In announcing its latest financial results, Eskom itself acknowledged that unpaid bills, along with its dependence on government support, mean "there is material uncertainty regarding Eskom's going concern status."

Wider implications

Every South African is aware of the damage to the wider economy caused by the collapse of Eskom's operational performance during the load-shedding years. At their peak in 2023, blackouts cost the country almost 3 trillion rand ($173bn) in lost output, according to the Council for Scientific and Industrial Research.

While the recovery in Eskom's operational and financial performance is good news for the economy overall, it has come at the cost of significantly increased electricity prices. With the latest 12.5% rise, electricity prices have increased by around 500% since 2010. "Businesses and consumers are increasingly feeling the strain of rising electricity prices, which consistently outpace inflation," says van der Linde, noting that the punishing cost of power undermines the country's efforts to revive mining and other heavy industries. "I don't think the environment is conducive to expanding the economy's industrial base."

The long-term solution, experts agree, is to create a more competitive power market. This is already coming into play; plans to "unbundle" Eskom by separating its generation, transmission and distribution functions were first announced in 2019, with the vision that the generation arm will eventually compete with other companies to produce electricity at competitive prices.

Yet for now the system is at a half-way-house stage. Large industrial power users and wealthy homeowners have increasingly voted with their feet by installing their own solar panels and battery storage, in some cases disconnecting from the grid entirely. But this option is not yet available to lower-income households, given the high upfront costs of installing solar panels or other energy technologies.

While Eskom remains responsible for delivering the vast majority of the country's power, the rise in self-generation leaves the utility with "a weaker customer mix," says Chetty.

Eskom has certainly improved its position, but few in Megawatt Park, the utility's Johannesburg headquarters, can feel confident that its troubles are over. ■

Can South Africa step up as a leader in forestry?

As a major global investor enters the South African forestry sector, **Ben Payton** *looks into the industry's growth prospects.*

International forestry investor New Forests made its first investment in South Africa in September, with a deal to acquire forestry and saw milling company Rance Timber. The deal sees the Australian-headquartered firm take a majority stake in the century-old business, which manages 14,000 hectares of pine plantations in the Eastern Cape province and has two sawmills.

"We see it as a great platform from which to grow within South Africa," says Yida Kemoli, managing director for Africa at New Forests. "And we also see it as a great platform to explore new markets within South Africa, new markets within Africa as well."

South Africa is not a heavily-forested country: by most estimates, less than 10% of its land area is forested, compared to well over 80% in some African countries. But it does have the continent's most sophisticated commercial forestry industry, with by far the largest area of plantation forestry in the Southern African Development Community (SADC) region. The country also boasts an extensive value chain of processing industries that turn timber into finished products.

Kemoli believes the country's forestry sector can progress to new heights.

"Actually, South Africa, from its existing base of a forestry industry, should be a leader," he says – "a global player" alongside the likes of Australia, New Zealand and countries in the Americas that have developed large forestry sectors.

Finished products boost industry growth

John Maré, a former diplomat who now works as a business consultant covering forestry and other sectors, highlights a key difference between forestry in South Africa and that in the rest of the continent.

Most of Africa remains caught in a "colonial mode" of simply exporting raw materials; Maré notes that South Africa has been a "shining star" in

Opposite: Felling pine trees in the Western Cape region of South Africa.

developing value-added industries around timber. It has built a significant paper and pulp industry. It also manufactures wooden products such as flooring and furniture, along with wood-based fibres that can be used in clothing. A handful of South African companies, notably Sappi and Mondi, have become recognised brands in the sector.

These factors partly explain why New Forests has chosen to enter the country. "South Africa is a very strong export economy," says Kemoli, who notes the country's well-developed systems for trade and export. Increasing value-added timber exports from the continent is a "big target" for New Forests, he says.

The prospects of export-led growth are further strengthened by rising demand in the construction industry worldwide for wood products, which are increasingly viewed as more sustainable alternatives to concrete. The world's tallest timber building is currently taking shape in Zanzibar.

"South Africa has more advanced mills and milling capacity compared to some of the other projects that we look at in the rest of Africa, which are more nascent. So it's easier to start looking at exports out of South Africa," says Kemoli.

Another area of revenue growth could be in carbon credits. Although plantations in South Africa have been slow to embrace the possibility of earning carbon credit revenues, Kemoli says New Forests will analyse the carbon potential of new assets it hopes to acquire in the country. He adds that selling carbon credits by producing biochar from timber residues is an another area with "huge potential" in the country.

> ***'Though we are a small contributor in the national picture, if you consider the impact on the rural economy, that is significant'***

Government support

The feeling of optimism around the South African forestry sector represents a marked contrast to sentiment just a few years ago.

"Historically, we were a sector that didn't enjoy a lot of political support," says Ronald Heath, director for research and protection at industry association Forestry South Africa. Forestry companies often complained, in particular, about onerous environmental conditions, including a convoluted system for acquiring licences to use water.

Yet Heath says that since President Cyril Ramaphosa took office the position of the sector has improved considerably.

"Since 2019, forestry has been one of nine sectors within the Public-Private Growth Initiative, which was a presidential initiative to get industry and government working closer together," he says. "Through the masterplan, we see opportunity of expansion of probably about 150,000 hectares of new afforestation, and we've also seen significant actions on the recapitalisation of state-owned plantations, which have unfortunately gone into disarray. And with this additional almost 210,000 hectares, you can imagine the additional fibre that will flow into the processing side."

Meanwhile, the industry has "much less" of a problem with water licences today. "That process has been streamlined significantly for our sector," Heath says. The fact that New Forests, a major international investment manager in the sector, has chosen to invest in South Africa is another vote of confidence that should reinforce the positive mood.

"At the moment, there's a very big positive sentiment in the sector," says Heath. "If you have the political will and political support that we see now, it's quite easy to start getting excited and optimistic about the sector."

Shortage of industry specialists

Despite the relatively optimistic mood that surrounds the sector overall, significant challenges remain.

Maré says that while the government is now more supportive, and forestry minister Dion George is well-regarded in the sector, the Ministry of Forestry, Fisheries and the Environment remains "under-staffed and under-capacitated to perform", with a shortage of forestry specialists.

And Heath highlights problems that are not specific to forestry, but which nevertheless have a knock-on effect on the sector. "The lack of rail capacity is one of our big constraints at the moment," he says. "Unfortunately, that has a significant impact on input costs for our timber growers and on transporting the timber to processing plants."

Transnet, South Africa's state-owned rail operator, has been plagued by multiple difficulties in recent years, causing serious disruption for many export-oriented industries.

Mismanagement and corruption, which peaked in the era of "state capture" under President Jacob Zuma, ultimately led to maintenance problems stacking up across the rail network. Freight volumes declined by 34% between 2017 and 2023, although there are some signs that the operator is now beginning to recover.

Nor is the forestry sector immune from the security concerns that plague that country. "Crime is a big problem, not just the theft of timber, but also equipment theft and arson, and these are big problems that the industry needs to address with government structures," says Heath.

He adds: "We're engaging with government at all national and provincial levels, and we are seeing positive movement."

Rural relevance

Solving these problems will be key if South Africa is to achieve its potential to build a globally significant forestry industry.

And while the growth of the forestry sector might not be transformative for the economy as a whole, Heath reminds us that it has an outsized importance in rural areas of the country.

"Although we only contribute 1% to gross domestic product and 4% to the manufacturing GDP, what is very important and quite unique from forestry is where we actually contribute this," he says.

"Forestry is a rural-based industry. We are providing economic growth in some of the areas where we see the highest levels of poverty, the highest levels of unemployment. So although we are a small contributor in the national picture, if you consider the impact we're having on the rural economy, that is significant." ■

In a volatile world, Africa and Europe need one another more than ever

As global uncertainty reaches record highs, Africa and Europe face mounting economic, political and demographic pressures – yet also have an opportunity to forge a renewed partnership grounded in energy, investment and shared growth, writes **David McNair**.

IMF head Kristalina Georgieva, in her curtain-raiser ahead of the annual meetings of the World Bank and IMF, shared a statistic that we all feel innately: the World Uncertainty Index is now off the charts, hitting a level almost twice that during the Covid-19 pandemic and almost ten times that of the global financial crisis of 2008. In her view, the world economy is "better than feared, but worse than we need".

Inflation is calming, Africa's growth is projected to be higher than last year, and while the impact of trade tariffs is significant, we have largely averted a full trade war. But this doesn't mean we are out of the woods. External debt service has more than doubled over the past decade, reaching 2% of GDP in 2024.

Global debt will reach 100% of GDP by 2029. The number of sub-Saharan African countries in or at high risk of debt distress has nearly tripled, rising from 8 in 2014 to 23 in 2025 – nearly half of the region. Cuts to official development assistance are likely to total $31.1bn in 2025, with Africa's low-income countries particularly hard hit.

The fact that a global trade war has been averted is cold comfort to countries like Lesotho, where proposed US tariffs have had a chilling effect on the country's garment industry. The US African Growth and Opportunity Act (AGOA) expired this month – a trade pact that for 25 years offered many African countries duty-free access to the US market.

In Europe, the ongoing challenge of competitiveness, the war in Ukraine, the uncertainty of US security guarantees and the spectre of populism in many major economies loom large. But the potential for Africa and Europe to work together on these challenges remains.

Europe in poor shape

First, Europe's economy is not in good shape. Sixty million Europeans live in regions that are poorer today than they were at the turn of the millennium, and a third of Europeans live in regions that have been slowly left behind.

The balance between the working-age population and those dependent on them has been declining since 1985 – an accelerating trend. As Europeans live longer, the costs of healthcare, pensions and housing increases – costs that will be borne by younger generations. Fewer economically productive people will result in declining public revenues to support services such as education, which are so critical to social mobility. This, in turn, is fuelling political nativism that is hampering international cooperation.

Second, Africa is changing quickly. In 2017, Africa's population under twenty-five years old surpassed the total population of Europe. By 2050, Africa will have added 796m people to the workforce, while Europe's working-age population (aged sixteen to sixty-four) will decline by 156m.

Africa's young populations are demanding better governance from their leaders – as witnessed by recent protests in Kenya – and young people are creating an economic dynamism not seen before in the tech, cultural and green sectors. Consultants McKinsey estimate that Africa's internal market has the potential to unlock $3 trillion in consumer spending. On the flip side, instability in the Sahel illustrates that the massive demand for employment across the African continent will have significant implications – positive and negative – in terms of migration, stability, future market potential and economic dynamism. 40% of African countries are in, or are at high risk of, debt distress.

Rivals stake their claims

Third, in a world of shifting geopolitics, Africa's suitors are many. China has spent the past two decades building influence on the continent through diplomacy and major infrastructure investments, committing an estimated $153bn between 2000 and 2019 to African public sector borrowers. India, Russia, Saudi Arabia, the UAE and Turkey are also taking an increasing interest in the region through diplomatic, military and economic cooperation.

As these geopolitical chess pieces shift, France's

declining influence in West Africa is just one barometer of how Europe risks losing influence in the region. It is time for the two continents to recommit to joint action. Mission 300, an initiative led by the World Bank alongside African governments, the private sector and development partners, aims to connect 300m people to affordable power by 2030. The World Bank, African Development Bank and others have pledged $35bn. "The success of electrification is foundational to everything." This project will aim to provide five million people per month with electricity – a sharp increase from the 'million a month' currently. Europe should get behind this action plan.

A recent analysis of the European Investment Bank shows it is a massively underutilised instrument. Over the last decade, the EIB's loan book grew by just 1.5%, even as other multilateral development banks grew by up to 71%. The Bank has €180bn to €190bn in unused lending capacity – loans that it could make without touching its credit ratings or draining its fiscal resources – which could be deployed to support the energy transition, create contracts for European firms, and address Africa's energy access challenges.

Africa's high cost of capital is another major challenge holding back investment. By getting behind South Africa's G20 plans to address the high costs of sovereign borrowing, Europe could help unlock fiscal space for African countries to address their own challenges – and fill the gap left by declining official development assistance (ODA) – all while charting a future course to address barriers to European private capital investment in what could be the next frontier of economic growth.

By working together on specific, time-bound initiatives that support the mutual interests of Europe and Africa, both continents can find opportunities to weather the storm we are living through. It just requires vision and foresight. ■

David McNair is executive director for global policy at The ONE Campaign, a non-resident Scholar at The Carnegie Endowment for International Peace, and sits on the advisory board of Eastrise Group.

Below: protesters took to Nairobi's streets to mark a year since people stormed parliament at the peak of anti-government demonstrations.

YOU CANT
FUCK US
WITHOUT
OUR CONSENT!!
REJECT
AMEND
Ecobank

Hannah Ryder is the CEO of Development Reimagined, an African-led international development consultancy

The ECOWAS Bank for Investment and Development is emerging as a driving force for West Africa's integration, financing cross-border infrastructure, value chains and trade corridors that connect economies, reduce fragmentation and position the region within continental and global markets.

Driving regional integration through finance

Infrastructure is the bedrock of integration. Roads, ports, power grids and digital networks are what turn political visions of free trade areas into functioning markets. For the ECOWAS Bank for Investment and Development (EBID), this reality has shaped its mission from the start. The Bank has emerged as the region's leading financier of infrastructure, steadily expanding its portfolio to knit together West Africa's economies and prepare them for the opportunities of the African Continental Free Trade Area (AfCFTA).

By December 2024, EBID's cumulative interventions had reached UA 3.41bn ($4.54bn) across 318 projects, with nearly half channelled into infrastructure. From a modest UA 121m in 2004, the Bank's commitments have multiplied more than twentyfold, rising to UA 2.75bn for 194 active projects. "EBID has moved from being a modest fund into a fully-fledged regional development finance institution," notes one ECOWAS official. "Its ability to mobilise capital and deliver cross-border impact is a sign of West Africa's growing financial maturity."

Connecting markets

This momentum is reflected in the Bank's recent approvals. In June 2025, EBID's board of directors signed off on new commitments worth €174m and $125m in sectors ranging from renewable energy and agriculture to education and transport. In Togo, the Bank is financing six vocational training centres expected to train nearly 3,500 learners each year, a direct response to youth unemployment and industrial skills gaps. In Guinea, more than €95m is being invested in three hydroelectric micro-power stations alongside €29m for

Section 4A of the Lagos–Calabar Coastal Highway.

modernising agricultural schools. In Côte d'Ivoire, a $25m facility for clinker imports will ease supply bottlenecks in a booming construction sector, while in Nigeria, a $100m loan is backing a 47-km stretch of the Lagos–Calabar motorway, a coastal corridor linking isolated agro-industrial zones and expanding trade along the Gulf of Guinea.

Earlier in 2025, the Bank approved another $230m in facilities, including a line of credit to Sterling Bank of Nigeria to support small and medium enterprises (SMEs) across priority sectors; a loan to Benin Cashew to expand local processing capacity; and co-financing for the Kano–Maradi railway, linking northern Nigeria with Niger. That project alone is expected to create over 100,000 construction jobs and 20,000 permanent posts, while providing a physical spine to connect Niger, a landlocked state, to seaports and regional trade flows.

Such interventions go beyond bricks and mortar. They signal EBID's role as an integrator: investing in assets that reduce freight costs, harmonise standards and create the connective tissue required for a functioning regional economy.

Corridors of trade

The concept of "regional corridors" has become central to Africa's development agenda. In West Africa, EBID has ensured its investments complement flagship initiatives such as the Abidjan–Lagos Corridor Highway, an African Development Bank-backed six-lane road that will link five countries over 1,028 kilometres. By funding feeder routes and complementary infrastructure, EBID ensures these corridors translate into value chain development rather than become isolated showpieces.

At the same time, the Bank is tackling the softer side of integration: access to finance and risk reduction. Its lines of credit, including €70m extended to Vista/Coris Bank, expanding SME access to trade finance. In May 2025, EBID signed a memorandum of understanding with the African Trade & Investment Development Insurance (ATIDI) to provide guarantees and derisk private sector transactions. "Integration requires more than roads – it needs capital that flows across borders with confidence," says an EBID executive. "Our partnership with ATIDI makes that possible."

From commodities to value chains

Industrialisation and value addition are now at the heart of EBID's agenda. In Benin, the Bank's support for cashew processing aligns with government plans to process half of annual production locally, creating more than 1,600 jobs. In Côte d'Ivoire, stabilising cement supply feeds directly into the country's construction boom. By financing vocational training centres and agricultural schools, EBID is tailoring human capital development to the needs of industrial value chains, while renewable energy projects in Guinea provide the reliable power that agro-processors and manufacturers require.

Taken together, these initiatives help shift West Africa away from raw commodity dependence and towards integrated supply chains capable of competing in global markets.

'EBID's ability to mobilise capital and deliver cross-border impact is a sign of West Africa's growing financial maturity'

Top: An Aerial Robotix team supporting construction of the Kano-Maradi railway. Above: A cashew nut factory in the Glo-Djigbe industrial zone near Cotonou in Benin.

Catalysing private capital

For all its efforts, EBID alone cannot finance West Africa's transformation. Its real leverage lies in catalysing private investment. By offering long-term loans, credit lines and guarantees, the Bank reduces risk and signals credibility to investors. Its $180m facility for Mota-Engil Nigeria in the Kano–Maradi railway is an example of how public–private partnerships can be structured to deliver large-scale regional infrastructure. This confidence is reinforced by EBID's own success in mobilising resources.

By 2024, the Bank had raised $5.97bn and signed forward contracts worth €1.91bn and $2.04bn, drawing on instruments such as syndicated loans. "West Africa has shown it can attract global capital when backed by credible regional institutions," says a senior banker involved in the deals.

Aligning with continental and global agendas

EBID's work is closely aligned with continental strategies. Agenda 2063, the African Union's blueprint for integration and prosperity, calls for robust infrastructure and equitable spatial connectivity – objectives that EBID's projects directly advance. Similarly, the Bank's activities dovetail with AfCFTA, which the World Bank estimates could generate $450bn in gains by 2035, much of it from cutting red tape and reducing trade costs.

But the Bank is also extending its relevance to global forums. In February 2025, EBID signed its first partnership with the European Investment Bank, securing a €100m line of credit as part of a broader €150m envelope. The facility, expected to mobilise at least €300m, will finance renewable energy, sustainable agriculture and water treatment. The partnership aligns with both the EU's Global Gateway and ECOWAS Vision 2050, underscoring how regional integration also contributes to climate goals and global stability.

Looking forward

As the G20 convenes in Durban, West Africa's integration journey stands out as a story of ambition grounded in finance. EBID has grown from a modest fund into a $4.5bn institution capable of driving structural change. Its focus on infrastructure, industrial value chains, trade corridors and human capital has reduced market fragmentation and laid the foundations for long-term growth.

Its partnerships with global financiers bring credibility and scale, while its alignment with continental strategies ensures relevance.

The path ahead will demand even more: deeper partnerships, expanded green and digital financing, and support for policy harmonisation that enables physical investments to achieve their full impact. EBID's leadership recognises that investing in regional integration is not a technical exercise but a strategic commitment to Africa's global future.

"By investing in itself, Africa invests in its place in the world," says one regional policymaker.

That is a message that resonates not only in West Africa but also in the corridors of the G20 and beyond. ■

African apparel and textile manufacturers will be the hardest hit by the end of the US tariff-free trade scheme, writes **David Thomas***.*

African industries face shock as Trump ends tariff-free AGOA

Africa's apparel and textile manufacturers – already reeling from US tariffs – will be hardest hit by the end of the US's tariff-free African Growth and Opportunity Act (AGOA), according to research by the International Trade Center (ITC). AGOA, which has provided dozens of African countries with tariff-free access to the US market since it was signed into US law in 2000, was allowed to lapse on 30 September by the Trump administration, bringing an end to preferences for 32 countries, of which 22 qualified for apparel provisions.

Across all sectors, tariff measures introduced in 2025 are estimated to reduce projected exports of AGOA beneficiaries by about 8% by 2029. The expiry of AGOA adds a further decline of 0.6 percentage points, or $189m.

Of that, $138m will be accounted for by reductions in exports of apparel and textile products to the United States, which are expected to register a decline of 9.7% by 2029 as a result of the end of AGOA, by far the greatest impact on any sector. Skins, leather, products thereof and footwear (–3.3%), processed food and animal feed (–1.6%) and vehicles (–1.3%) are the next most affected.

The ITC says the expiry of AGOA will increase duties in value-added and labour-intensive sectors that had benefited most from preferential access. The steepest hikes are observed in apparel and textile products (+14 percentage points), skins, leather, products thereof and footwear (+4.3) and processed food and animal feed (+2.4), where competitiveness has relied heavily on duty-free entry under AGOA.

> ***'AGOA has been the cornerstone of trade relations between sub-Saharan Africa and the United States since its launch in 2000... Its expiry removes long-standing preference margins at a moment of heightened uncertainty'***

In 2024, 43.8% of eligible exports from AGOA beneficiaries entered the United States under AGOA preferences. Utilisation was highest in vehicles (97.9%) and in apparel and textiles (96.5%), where duty-free access under AGOA had been most critical. By contrast, utilisation was much lower in animals and animal products (10.5%) and machinery and electronic equipment (13.2%). At the country level, Benin (99.3%), Lesotho (98.7%) and Kenya (92.9%) relied heavily on the programme to maintain competitiveness, particularly in apparel and processed food.

Losses of projected exports linked to the expiry of AGOA are most pronounced for Cabo Verde (–29%), Lesotho (–8.2%) and Kenya (–6.9%), where apparel and tuna dominate export baskets and lose preferential access. In contrast, several countries record gains. The Gambia (+26%) and Mauritania (+4.3%) improve their competitiveness in vehicles, while Djibouti (+3.6%) – which did not benefit from preferential treatment for its textiles under AGOA – sees its relative competitiveness improve.

"AGOA's role in African trade has changed over time. In 2005, close to 28% of AGOA beneficiaries' exports were destined for the United States. By 2024, that share had dropped to around 7%, reflecting both shifts in Africa's trade geography and limited uptake of preferences. Even so, for certain countries and sectors, AGOA remained crucial: apparel in Lesotho and Kenya, vehicles in South Africa, and processed food in a handful of smaller economies," the report's authors write.

Real-world impact

In recent months, the US administration has hit African and non-African countries with tariffs, further exacerbating the impact of the end of AGOA. For the apparel industry, the 14 percentage point increase from the end of AGOA combined with the 13 percentage point increase from 2025 tariffs leads to a total tariff increase of 27 percentage points.

AGOA contained special provisions for textiles and apparel, including the "third-country fabric allowance". This rule, available only to "least developed" countries approved for apparel eligibility, allowed them to source fabric globally while still exporting finished apparel duty-free to the United States. It was instrumental in enabling countries such as Lesotho, Kenya and Madagascar to establish competitive apparel industries. More advanced economies such as South Africa and Mauritius, while granted apparel eligibility, did not benefit from the third-country fabric allowance and were subject to stricter rules of origin, requiring fabric sourced from the United States or other AGOA beneficiaries.

Pamela Coke-Hamilton, executive director of the ITC, said the end of AGOA and the introduction of US tariffs could have a devastating impact on apparel exporters. "If AGOA were to lapse, it will deal a blow to African countries already feeling the weight of new trade measures, from the latest tariffs to sustainability requirements. Access to key markets is becoming more difficult, and African countries –

especially the least developed – are feeling the strain. Take Lesotho. Nearly 60% of its apparel exports go to the US, worth over $230m annually. Under AGOA, those goods entered the US market duty-free. Today, they face a 15% tariff.

"That may sound small, compared with the initial 50%, but this move has led to cancelled orders, lost jobs and reduced competitiveness vis-à-vis neighbours like Kenya and Eswatini, which face a 10% rate. Lesotho's textile industry employs 40,000 people. This is affecting real people, real lives."

Mining largely unaffected

Meanwhile, the United Nations Conference on Trade and Development (UNCTAD) says that "the recent expiry of the scheme would threaten export diversification and industrialisation across the continent."

"The expiry of AGOA would disproportionately affect Africa's light-manufacturing exports to the US, namely apparel and agro-food products, such as fish and dried fruits… Due to varying tariff rates and exceptions for sensitive raw materials, African exports of agricultural goods and manufactured products would be subject to tariffs that are two-to-three times higher than those applied on fuels and minerals."

By contrast, the United Nations Educational, Scientific and Cultural Organization (UNESCO) says that exporters of mined commodities are the least affected by the US tariff changes on African goods.

"Countries like the Democratic Republic of Congo, Nigeria or Angola – whose exports are primarily fuels and minerals – face minimal tariff increases, as their main exports already benefit from low MFN [most-favoured nation] tariffs, or exemptions from additional duties. More diversified economies, such as South Africa, are less exposed to AGOA's expiry but have already experienced significant tariff increases this year due to country-specific and sectoral tariffs."

Still, the ITC says the impact of AGOA's demise cannot be overestimated. "AGOA has been the cornerstone of trade relations between sub-Saharan Africa and the United States since its launch in 2000. By granting duty-free access to thousands of products, it was designed to expand sub-Saharan Africa's integration into the global economy and to support export diversification beyond primary commodities.

"The end of AGOA now coincides with a period of rising protectionism. Its expiry removes long-standing preference margins at a moment of heightened uncertainty, compounding the challenges already faced by African exporters." ■

Below: Workers at the "New Wide Garments" factory, which employs 7000 people 30 km from central Nairobi, Kenya.

With the future of the expired tariff-free trade act mired in uncertainty, US experts say there are other ways to boost US-Africa trade, writes **Shoshana Kedem***.*

US businesses look beyond AGOA to rebuild Africa trade ties

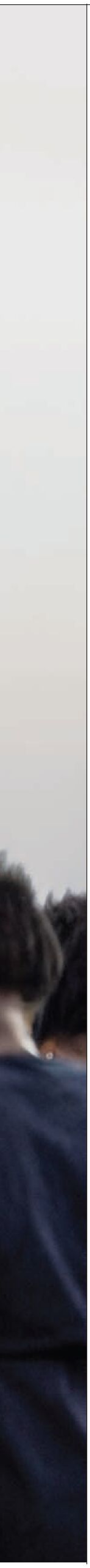
Business leaders, investors and trade advisers at the Global Africa Summit in Washington DC said they are adapting to shifting US trade priorities under President Donald Trump, describing both challenges and new opportunities for US-Africa economic relations in an era of increasing tariffs and trade tensions. The summit took place on 14 to 15 October, two weeks after the US administration allowed the expiry of the African Growth and Opportunity Act (AGOA) – which granted duty-free access for specified exports from dozens of African countries to the United States.

The 25-year-old law expired on September 30 at the same time as the US government shut down for lack of a spending bill. Reports suggest a one-year extension is still being considered by the Trump administration.

Trump has also hiked tariffs on African countries. His administration has yet to set a date for the US-Africa Leaders Summit, the flagship diplomatic forum launched by President Barack Obama in 2014 and hosted again by President Joe Biden in 2022.

Global Africa Summit organiser Jane Reindorf-Osei, head of the African Investment Network, said the event sought to sustain dialogue amid tightening US visa rules and a more inward-looking US. “Under this administration, access to the US market has become harder for African entrepreneurs,” she said. “But interest remains high – investors are exploring diaspora-led capital and local partnerships to keep trade flowing.”

Reindorf-Osei added that the administration’s rollback of aid programmes, including USAID, had



forced a reckoning on the continent. "Africa has learned to stand on its own two feet," she said. "We can no longer rely solely on aid or external support. We are learning to industrialise, to create jobs, to innovate. That independence is the opportunity within the challenge."

Shaquana Teasely, chief executive of Intentional Trade Advisors, said there is still plenty of potential to develop trade ties between the US and the continent. "Although AGOA has not been fully renewed, there are still customs programmes that benefit African suppliers and US importers.

"I'm advising clients to rethink how they do business – to diversify, to use other trade mechanisms and to stay compliant. There are still advantages if you know how to navigate them."

Teasely said her firm has helped clients to sidestep the impact of Chinese trade-war tariffs by using lesser-known customs programmes.

Looking beyond AGOA

The actual impact of AGOA and its apparent demise continues to be debated. A recent report from the International Trade Centre (ITC) said that Africa's apparel and textile manufacturers will be hardest hit by AGOA's expiry (*see page 32*). Across all sectors, US tariff introduced in 2025 are estimated to reduce projected exports of AGOA beneficiaries by about 8% by 2029. The expiry of AGOA adds a further decline of 0.6 percentage points, or $189m, the ITC projected, and $138m of that will be accounted for by reductions in exports of apparel and textile products to the US.

But Charles De Bow, president of the National Black Chamber of Commerce, said AGOA's design had failed to meet its development goals. "AGOA was intended to help Africa develop," he said. "But in many cases, it ended up doing the opposite – allowing foreign companies to relocate production to the continent, claim African origin, and then sell duty-free into the US market. Those goods weren't always made by Africans or benefiting African-owned firms. It created competition, not capacity."

Former US Commerce Department official Terri Batch, now with Los Angeles business promoter Global LA, said that criticism has long been voiced inside trade circles. "If you ask who really benefited from AGOA, it was the big companies – the Walmarts, the multinationals that understand how it works," she said.

"Small and medium-sized African businesses don't know how to leverage it, how to quantify products, or even how to qualify. I remember asking African ministers how many companies actually use AGOA, and for a whole country it might be five. It never fulfilled its promise."

"The original intent – build capacity so African firms could sell to the US and, over time, buy from the US – didn't scale. Any replacement has to empower SMEs [small and medium enterprises] and make compliance legible to them."

Despite the policy uncertainty, Batch said investors have an opportunity to adapt. "Businesses always find a way," she said. "If Washington steps back, it creates space for entrepreneurs and diaspora investors to step forward. Africa is the future – and it's in America's interest to stay in the game." ■

Opposite: Workers carry out their duties at the Afri-Expo Textile Factory in Maseru, Lesotho.

Tapping the US's African diaspora for growth

If one idea animated the Global Africa Summit, it was that the world's largest, wealthiest and most institutionally networked African diaspora lives in the United States – and that this constituency can be the catalytic "first mover" that changes the risk–return equation for everyone else. "If the US wants to compete with China in Africa, start by recognising the obvious: America has the world's greatest African diaspora – resilient, successful, deeply networked," argues John Morris, whose firm Intentional Asset Management (a subsidiary of 17 Asset Management) is launching a Caribbean food systems fund while mapping Africa opportunities.

"Why wouldn't you do everything possible to back 15% of your own population to be the lead partners in the continent that can feed the world and generate the next waves of innovation?"

"We should want the African diaspora to be the ones who make the money first. Because of the cultural affinity and connectivity – and as a slowing back of centuries of extraction – the people who should be the owners of the growth are the diaspora."

Morris does not sugar-coat the challenges. "Large, sustained flows from developed markets into African public equities haven't really happened since before the 2008 crisis," he said. Since then, major US institutions have preferred domestic alternatives.

African markets should outperform

Yet that is precisely why he sees comparative value building on the continent. "On demographics, urbanisation and the need for investable infrastructure across twelve essential service sectors – health, water, transport, agri-food systems – Africa stacks up. If you assess the valuations with discipline, the next 10 to 15 years should see African markets outperform developed markets."

Still, demand doesn't materialise by slogan. Morris says there needs to be research that makes countries and sectors intelligible to mainstream savers; advisors and products that fit those findings; and efficient product distribution to diaspora investors. "No one will build this unless the diaspora – historically black colleges and universities, chambers, professional associations – say, 'We want it. We'll get behind it.' That's the project," he said.

Reindorf-Osei framed the day around mobilising what she calls the continent's most misunderstood resource: diaspora remittances. "The World Bank counted over a hundred billion dollars in remittances to Africa last year – more than FDI and aid combined," Reindorf-Osei said.

"Even five or ten per cent directed into professionally managed diaspora funds could move the needle in energy, water, healthcare and agribusiness."

"The opportunities are endless when you ignite the diaspora," says Global LA's Terri Batch.

Sub-Saharan Africa trade value up 9.7% but tariffs to hit growth

Exports are driving an increase in sub-Saharan Africa's trade, but US tariffs are likely to impact future growth and intra-African trade lags, writes **David Thomas**.

The value of sub-Saharan Africa's goods trade grew by 9.7% in the first half of this year versus the first half of 2024 – the world's fastest rate – but US tariffs are likely to weigh on growth and intra-African trade still lags other regions, according to a report by logistics company DHL. The firm's Global Connectiveness Tracker, produced with the Stern School of Business at New York University, was released in the same week that DHL announced $300m investment in the continent (*see box*). The report found that sub-Saharan Africa's exports drove the increase; the region recorded around 16% value growth in the first half of 2025 versus the first half of 2024, dwarfing the 8% recorded by East Asia and the Pacific, the next fastest-growing export region.

By contrast, the value of imports to sub-Saharan Africa grew by around 4%, compared to 9% for North America and 8% for the Middle East and North Africa.

Within the sub-Saharan Africa region, the countries with the fastest trade value growth during the first six months of 2025 were the Central African Republic, Zambia, Eritrea, Burkina Faso and Senegal, while the countries achieving the largest amounts of absolute trade growth in US dollar terms were Ghana, Zambia, Côte d'Ivoire, Democratic Republic of Congo and Senegal.

"The current sub-Saharan Africa trade growth forecast implies a substantial acceleration relative to the region's trade volume growth trend since the Covid-19 pandemic," the authors write.

US tariffs expected to hit trade

However, the report forecast that US tariffs are likely to have a marked impact on African trade. Sub-Saharan Africa's trade volume is forecast to grow at a 4.3% annualised rate through 2029, rather than the 5.3% rate projected as of January 2025. That will still be the world's second-fastest trade volume growth, behind only South and Central Asia.

This year has seen tariffs ramped up by the US on African countries and the expiry of the US's long-standing African Growth and Opportunity Act (AGOA), which provided tariff-free access to the US market for dozens of African countries.

The report said that the past two decades have also seen a rising share of sub-Saharan Africa's international activity connecting the region to China and to China's close allies. However, the region still conducts more international activity with the United States and its close allies, which include major European economies, than it does with China and its close allies.

"It's a really volatile environment at the moment, so you almost adjust yourselves daily based on it," Hennie Heymans, CEO of DHL Express sub-Saharan Africa, tells *African Business.*

"For sure there's an impact. We've definitely seen

an impact on the automotive industry and we have and will continue to see an impact on the textile industry, and these are probably the two big sectors under the AGOA agreement. But trade is recalibrating and they'll find different markets for sure. If you look at autos they're already looking to markets in Europe and Africa's gaze as a whole is shifting a lot more favourably to the East."

Intra-African trade still lags

As well as noting a recalibration to the East, the report found that there is still plenty of room to grow intra-African trade. Indeed, sub-Saharan Africa stands out as one of the regions where countries trade over unusually long distances, with a low share of trade taking place within the region. In 2024, only 19% of the region's trade was intra-regional, compared to a world average of around 50.7% – a new record low – and its trade flows traversed an average distance of 7074 km, compared to a world average of 5000 km.

John Pearson, CEO of DHL Express, said that African policymakers need to tear down the remaining barriers to trade if the African Continental Free Trade Agreement (AfCFTA) is to reach its full potential.

"Intra-African trade is very limited compared to Europe, which is at 60% [of trade being intra-regional]. Intra-African trade is growing – one might even suggest that the AfCFTA has been successful five years in, because Africa is trading more with itself. But the issue is that certain countries have still got tariffs between one country and another, so this free trade thing is not fully being embraced properly."

The countries that averaged the highest intra-regional share in 2024 were Eswatini, Lesotho, Mali, Botswana and Namibia, and the countries that averaged the lowest intra-regional share were Cabo Verde, Sudan, Ethiopia, Mauritania and Equatorial Guinea. Goods exports within sub-Saharan Africa increased by only a modest amount and goods imports within the region actually decreased.

While Pearson said that DHL investments can help to facilitate smoother trade, he added that it is up to governments to sort out the basics – including infrastructure and efficient customs services – in order to ensure frictionless trade for the continent's businesses.

"There are some investments we can make to facilitate and expedite trade once some more fundamental building blocks are in place.

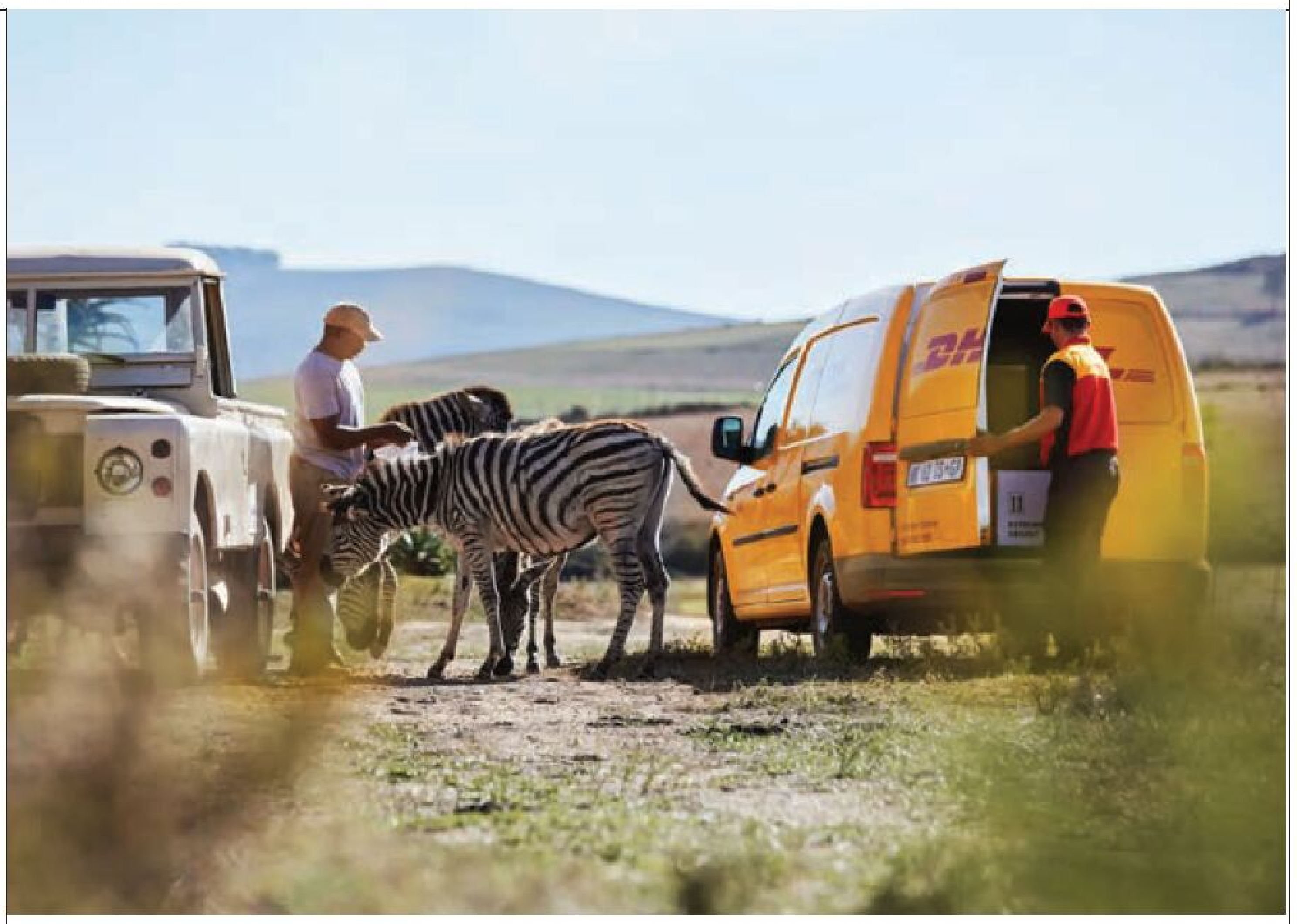
"In any one country, that's ports, railways, on-airport facilities, digitalisation, the customs environment and a few more things that make international in/out trade, or trade around the continent, more easy. So there is quite some work to do."

Pearson said the need for governments to act quickly has been heightened by recent geopolitical trends.

"With aid being pulled out and AGOA [expiring], Africa have got to think for themselves and get on with their stuff.

"We can carry on investing in Africa – in aircraft, hubs, gateways, service centres, vehicles –that's what DHL spends $1.3bn a year on, and Africa gets its fair share [but] there's some more fundamental things that need to go on." ■

Below: Amadou Diallo, CEO of DHL Global Forwarding Middle East and Africa.



DHL to invest €300m to encourage African trade growth

DHL Group has announced a €300m ($350m) investment plan to accelerate trade growth across Africa and support the AfCFTA, writes **David Thomas.**

The Bonn-headquartered logistics firm says that it will invest in Africa across its businesses DHL Express, DHL Global Forwarding and DHL Supply Chain to expand infrastructure, enhance service capabilities and help businesses across sectors including e-commerce, perishables, energy and life sciences and healthcare.

At DHL Express, the firm's global express shipping company, the investment will include upgrading gateways, adding aviation uplift and extending time-definite coverage into second cities that are emerging as demand centres under the AfCFTA.

Contract logistics firm DHL Supply Chain, which offers warehousing, transport and other services, will add capacity, with a focus on life sciences and healthcare, including temperature-sensitive capability to support critical healthcare flows, "particularly as demand for third-party logistics services continues to grow in the core South African market".

Shipping division DHL Global Forwarding will expand its capabilities in energy and industrial projects, supporting energy transition projects; enhancing cold-chain and perishables logistics for agriculture and horticulture exporters; and scaling its expertise in life sciences and healthcare with temperature-controlled transport.

Amadou Diallo, CEO of DHL Global Forwarding Middle East and Africa, said that the firm is already seeing new business emerge as a result of the AfCFTA. "Concretely, we see a lot of Chinese manufacturers moving into the countries, so you have a lot of life sciences manufacturers that used to produce medicine in China moving to Kenya, for example, and distributing to Africa but also to Europe. You see the same thing happening in the automotive sector, not only in Morocco but Tunisia and Algeria. You have CKDs [completely knocked-down kits] for Volkswagen in Rwanda and Kenya. That tendency is happening in many different verticals."

In a riveting Babacar Ndiaye Lecture, on the sidelines of the World Bank meetings in Washington DC, **Donald Kaberuka***, the former president of the African Development Bank, called for stronger institutions that work in unity to be able to finance our continent's transformation. A new era is setting in – which means renewed action and commitment.*

Kaberuka calls for a new era of strong African banks

Former president of the African Development Bank (AfDB), Donald Kaberuka has called for Africa to strengthen and integrate its financial and governance institutions to safeguard the continent's future in a rapidly fragmenting global order. Delivering this year's Babacar Ndiaye Lecture, Kaberuka warned that "the world is not waiting for Africa; therefore, Africa must not wait for the world," and urged African nations to take ownership of their development agenda through resilient, homegrown institutions.

Reflecting on global power shifts, Kaberuka pointed to the return of mercantilism; rising narrow national interests; the end of the aid era; weakened global institutions; and the erosion of multilateralism as the five trends that are reshaping the global economy. For Africa, that means turning inward, while leading the charge for a renewed global architecture. "We can no longer rely on post-war institutions that were never designed to address Africa's challenges," he said. "Strong nations are built on strong, homegrown institutions; not on borrowed ideas or conditional generosity."

Development as ecosystem

Kaberuka emphasised that Africa's development requires an ecosystem approach, in which institutions across sectors – finance, trade, peace and security, health and governance – operate in coordinated harmony rather than isolation. "Like an orchestra, African financial institutions on their own will not get to the end point. It has to be part of an ecosystem of African financial institutions and not simply financial institutions. They have to operate together in a symphony," he urged.

The Africa Export-Import Bank, Kaberuka said, must be commended for exemplifying this model through its support for the African Continental Free Trade Area (AfCFTA), the Africa Centres for Disease Control and Prevention (Africa CDC), the regional economic communities and other initiatives and institutions of the continent.

Kaberuka, who is also the chairman and managing partner of SouthBridge, a financial advisory and investment firm, further argued that Africa must lead in reshaping global governance to reflect 21st-century realities and replace the post-World War II institutions such as the Bretton Woods system – which were primarily designed for the reconstruction of Europe and Japan and not for the needs of emerging African economies. "We can no longer outsource our future to institutions that were never meant to serve us," he said, calling for the continent to take a more assertive role in creating new multilateral frameworks that champion African priorities.

Kaberuka stressed that as the world moves from globalisation to fragmentation, Africa's ability to define and defend its interests will depend on the strength, coordination and legitimacy of its own institutions. Pointing to over $1.1 trillion held by African pension and sovereign wealth funds, he called for new models to mobilise and connect this capital with global investment flows. "It is not only about mobilising African capital," he said. "It is about defining how that capital is deployed for Africa, by Africa."

Earlier, in his welcome remarks, George Elombi, who was at the time president designate of Afreximbank, called for urgent action to strengthen Africa's financial sovereignty through the completion of the continent's financial architecture. Elombi said the time has come to move decisively toward the establishment of the African Monetary Fund and the African Central Bank as "full operational pillars of our sovereignty".

Non-negotiable priorities

He outlined three non-negotiable priorities for African financial institutions going forward: "First, we must reaffirm the credibility and performance of our institutions. Their success stories must be told and documented.

"Second, we must protect the special treatment we receive from our member states, not as a privilege, but as the bedrock of Africa's financial independence. And third, we must accelerate the integration of our financial ecosystem so that Africa can speak and act with one voice in global finance."

Elombi, who is set to take over as the fourth president of the bank following his selection by the board at the general shareholders meeting in June, reaffirmed Afreximbank's preferred creditor status as an essential safeguard for Africa's ability to finance its own development. Cautioning against narratives that question the credibility of African institutions, he noted that such criticism often arises "not because we have failed, but because we have succeeded".

Afreximbank, he noted, has disbursed over $155bn in the past decade, including $18.7bn in 2024 alone. "These are not just numbers," he said. "They repre-

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BABACAR NDIAYE LECTURE 2025

The Babacar Ndiaye Lecture

This year's Babacar Ndiaye Lecture was the ninth in the series held in honour of the late Ndiaye, who was the driving spirit behind the establishment of Afreximbank and other key pan-African institutions. It was held under the theme "Leveraging Global Africa's Capital for Development: The Imperative for Stronger African Financial Institutions amid Geo-economic Shifts" and was attended by policy makers and business leaders from the continent and from the United States, where it was held.

sent jobs, freedom and hope. They are living proof of what Africa can accomplish when trust is matched by capacity." Elombi argued that the real challenge facing the continent is not risk, but perception. "Africa is not too risky; Africa is dependable," he said.

Elombi also paid tribute to Babacar Ndiaye, the fifth president of the AfDB, describing him as a man "whose vision turned words into action". Ndiaye, he said, believed that Africa's progress depended on institutions built, financed and led by Africans, a conviction that gave rise to Afreximbank, Shelter Afrique and the African Business Roundtable.

"Ndiaye understood that true independence meant having the capacity to stand on our own and shape our own future, no matter how the world around us changes," he said. Elombi reaffirmed Afreximbank's commitment to Ndiaye's legacy, pledging that "we will not abandon this ambition. Our task is to carry forward the vision of financial self-reliance until the job of Africa's development is significantly achieved.". ■

Self-reliance is the watchword

The Babacar Ndiaye Lecture was rounded up with a fireside chat with a distinguished panel. The rousing event was moderated by African Banker *editor Anver Versi and IC Publications Group CEO Omar Ben Yedder. On the panel were Lisa Sachs, Misheck Mutize and Professor Koko Nubukpo, reports* **Kwame Appiah***.*

Anver Versi opened the discussion by asking the panel for their views on the thorny issue of the preferred creditor status (PCS) and why this facility was so essential for African Development Finance Institutions (DFIs). Mischek Mutize explained that the preferred creditor status enables development-focused institutions to lend counter-cyclically, meaning they can continue financing projects even during crises.

"They still should be able to lend even in times of crisis because they are not driven by profit," he said and argued that African multilateral development banks deserve the same treatment as their global counterparts such as the World Bank, given that they are founded through agreements among member states with a shared goal of financing infrastructure and other socially vital but often commercially unattractive projects.

"They are entitled to this status because their founding states also want them to continue bridging this financing gap," he said. Versi noted the growing resistance from credit rating agencies, which have questioned whether African multilaterals can justify retaining this status, especially in the wake of some African countries' defaults.

Responding to this, Mutize stressed that the status should not be viewed as a privilege but as a right based on the developmental mandate of African institutions. Maintaining this status, he said, is essential for ensuring that Africa's regional banks can continue to access global capital and channel it toward sustainable, long-term development needs.

Lisa Sachs described the global financial system as "completely broken" and argued that African financial institutions have been disadvantaged by the system. Concurring with Mutize, she said that PCS provides not only certainty for lenders but also strengthens their credit ratings. "Knowing that the financing will be returned means that these institutions are rated accordingly because it is considered a lower risk," she said. This in turn allows DFIs to borrow more affordably on international markets, amplifying their capacity to fund development projects, she added.

Sachs warned that any move to undermine or withdraw PSC from African multilaterals would be "horrifically misguided," emphasising that the proposal reflects deeper biases in the global financial

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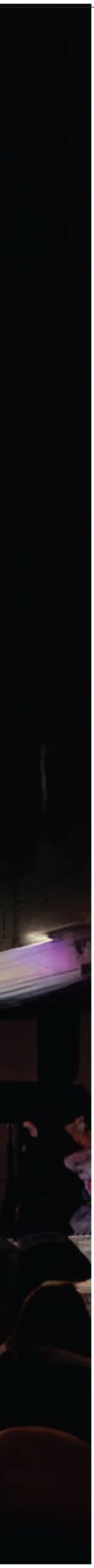


system. “The whole assessment of risk and the whole assessment of development finance institutions outside of the major development banks are consistently undermined,” she said. What is required, she said, is an urgent overhaul of the global financial system to enable Africa to secure long-term, affordable public finance for sustainable development.

While Africa needs long term capital to pursue its development priorities, it is currently hamstrung by the current systems of credit assessment, which she described as “fundamentally misaligned with Africa’s inherent creditworthiness and growth prospects.”

She pointed out that while the IMF acknowledges that Africa is the world’s fastest-growing region, it continues to caution African governments against borrowing and suggested that the continent should pursue “new international partners that see the value of the partnership; that see the inherent promise in investing in Africa; and which will be allies in fixing aspects of the broken infrastructure.”

Misperceptions of the continent

In addition to calling for reforms to the global financial architecture, Kako Nubukpo urged African countries to confront systemic and structural issues such as governance and transparency that fuel misperceptions about the continent. “We need to continue showing that we are serious in terms of governance and make things as transparent as possible,” he said, cautioning that Africans must avoid “giving the impression that we are prioritising mediocrity.”

In his view, the continent must take ownership of how it is perceived, including by developing its own risk indicators rather than allowing others to define its narrative. Referring to conflicts in the Sahel, eastern DRC and Libya, he said these crises “perhaps rightly give this perception that Africa is a risky continent”. He called for honesty in confronting these realities, asserting, “We need to have the courage to say that Africa is not well managed currently.” This, he argued, is a necessary starting point for building credibility and reforming Africa’s management of resources and institutions.

True sovereignty requires not only monetary autonomy but also visionary leadership, capacity to lead and accountability

On the question of strategic financial sovereignty, Nubukpo emphasised that Africa must be empowered to make independent financial decisions. “You can’t ask permission from the financial market to build a hospital,” he said.

This, he said, is among the reasons why has long advocated for monetary independence, notably his critique of the CFA franc as a lingering vestige of colonial dependence. True sovereignty, he argued, requires not only monetary autonomy but also visionary leadership, capacity to lead and accountability.

Until African leaders embrace these principles, he warned, “the rest of the world is going to keep looking at us as being a risky place and it’s going to continue along the same lines.”

Externally determined factors

While conceding that she was not in a position to comment on the internal politics of the continent, Sachs insisted that Africa is still vulnerable to externally determined factors that hinder its ability to access credit. Chief among these, she argued, is how international credit rating agencies assess risk.

“The main reason that risk agencies say that African countries cannot assume debt, whereas developed countries which have much higher debt ratios can, is that developed countries have deep capital markets. They borrow in their reserve currencies and have liquidity mechanisms that give confidence to the rating agencies.” For that reason, she said, Africa needs to build and strengthen its own financial institutions.

One such institution that has been proposed is the African Credit Ratings Agency which, Mutize pointed out, has already been endorsed by Africa’s ministers of finance. The goal, he explained, was to “bring another side for investors to weigh the difference in opinions” and to ensure that Africa’s economic realities are assessed more fairly.

He gave the example of Senegal, which despite successfully raising $5.3bn from regional financial markets, had recently been downgraded by a major ratings agency, which characterised its use of regional markets as a weakness rather than a strength. “So this is why finance ministers believe an African credit rating agency will be able to present an alternative view and let investors weigh the information that it provides,” he said.

In answer to a question from the audience, Sachs argued that recent actions by some African sovereigns questioning the use by DFIs of PCS were “not really an independent decision of the sovereign” but rather taken under pressure from other creditors, notably those gathered in the Paris Club.

The need for a strong domestic capital base

Sachs stressed that such dynamics highlight the urgency of building a strong domestic capital base to reduce dependence on external forces.

“That is why Afreximbank and the public development banks are so critically important,” she said, pointing out that local institutions, supported by sovereign wealth, insurance and pension funds, must be empowered to lend in local currency, extend loan tenures and provide counter-cyclical financing to strengthen Africa’s resilience.

Answering another question, Nubukpo cautioned that Africa cannot wait for development banks to drive its transformation, insisting that “we can’t expect that they’re going to assume the functions or the roles of the state.”

Citing the Covid-19 response, he contrasted how the US and European central banks injected up to 20% and 15% of GDP respectively, while African central banks managed only 4%, reflecting their limited capacity to create money.

For Nubukpo, Africa’s progress hinges less on debates like that on the preferred creditor status for multilateral financial institutions (MFIs) and more on good governance and accountability, including ending the practice of “political loans” tied to election cycles.

He urged Africans to develop their own risk indicators rooted in transparency, production and clear vision, rather than blaming external forces. “Just because we have a fever, we’re not going to break the thermometer to resolve it,” he said, calling for a mind-set shift toward self-reliance, stronger institutions and collaboration to build shared prosperity. ■

Embattled in its former colonies, France is looking to strengthen commercial and diplomatic ties with Nigeria and Kenya, reports **Harry Clynch***.*

France embraces anglophone Africa as ties to former colonies fray

Speaking at the 2025 Africa Day at Sciences Po university in Paris at the start of October, French foreign minister Jean-Noël Barrot sought to emphasise the country's commitment to the continent at a time when its historical relationships in Africa are in flux. "My conviction is simple, and it has not changed: France carries within it a part of Africa that makes it stronger," Barrot said. "Let us look at the African continent which is brimming [with potential]: in the incubators of Abidjan, in the shipyards of Cape Town, the ports of Tangier and Dar-es-Salaam, there is an energy at work on the continent.

"France innovates faster than the rest of the world and France is at Africa's side, when it comes to diplomacy, business, and its public or private initiatives," he added.

Barrot also alluded during his speech at Sciences Po to the fact France is currently working to update its continental strategy ahead of next May's France-Africa Summit in Nairobi.

The end of *Françafrique*?

While precise details are yet to emerge, the signs are that Paris, perhaps in response to increasing levels of anti-French sentiment in its former African colonies, will prioritise building new political and commercial ties with anglophone African nations.

France's influence in its former African colonies – known by the term *Françafrique* – has seriously declined in recent years. Military coups in the Sahel – such as in Mali, Burkina Faso, and Niger – have led to the expulsion of French troops and the cancella-

tion of military agreements. These coups have often been driven by explicitly anti-French sentiment and involved the open embrace of France's adversaries, such as Russia.

Controversy has also centred on perceived remnants of French colonial control – such as through the use of the CFA franc, which requires former colonies to deposit at least 50% of their foreign reserves with the French Treasury in Paris.

Events in the Sahel have not only diminished France's diplomatic and political clout on the continent but contributed to declining commercial success in Africa as well. In banking, for example, Crédit Agricole, BNP Paribas, and Société Générale have all withdrawn from the African market in the last few years – with the higher geopolitical risks a key reason for this.

Jamal El Mellali, Fitch Ratings' director covering African banks, previously told *African Business* that "African markets are higher-risk and the level of returns of their subsidiaries, from the French banks' perspective, are often not enough to justify their presence there."

Nairobi calling

The symbolism of hosting next year's summit in Nairobi – one of the continent's most significant English-speaking political and business hubs – is clear. President Emmanuel Macron is widely seen to have put this pivot in motion in November last year, when Nigeria's President visited France on a two-day state visit, the first such trip undertaken by a Nigerian leader in twenty years.

The occasion, which included a meeting at the Franco-Nigerian Business Council and focused on investment opportunities that would benefit both sides, demonstrated President Macron's efforts to reorientate France's African relationships.

Alain Antil, a researcher in Sub-Saharan Africa at the French Institute of International Relations (IFRI), pointed out at the time that France "is not held back by its colonial past" in anglophone countries, while economist Kako Nubukpo noted that pivot towards English-speaking Africa was "not a new trend" but that "the crises in the Sahel have accelerated this dynamic."

Douglas Yates, a professor of political science at the American Graduate School in Paris and expert in France-Africa relations, suggests that the country is also seeking to broaden its relationships beyond francophone Africa for commercial reasons – not least because France's two biggest trading partners on the continent come from the anglophone world, Nigeria and South Africa.

"The pivot is part of what I called 'the paradox of predation'. Through its predatory neocolonial relationships, France underdeveloped its francophone African states," Yates tells *African Business*. "So, it is no surprise that it has decided to venture out into the anglophone – and lusophone – African sphere to profit from business opportunities."

The exact agenda of the Nairobi Summit is not out yet, but the Kenyan government has said it will "focus on climate change, environmental challenges, and financial system reform… the Government of Kenya looks forward to hosting a transformative Summit that redefines Africa-France relations through innovation, sustainability, and shared prosperity."

What practical outcomes can be expected from the Nairobi Summit and France's broader shift towards anglophone Africa? Yates notes that "new French foreign direct investments in Kenya are one possibility – and there are always African states so thirsty for capital that they will do business with France."

Opposite: President Emmanuel Macron of France greets Nigerian President Bola Tinubu on his official three-day visit last year.

Investment potential

A joint communiqué issued by Kenya and France on the sidelines of the recent United Nations General Assembly (UNGA) in New York suggested that investment in industries including green energy, artificial intelligence, and sustainable agriculture could be on the agenda.

"French private capital would like to penetrate the booming energy sectors, so look for Total [the French multinational energy and gas company] to announce something," Yates says.

On a geopolitical level, Yates also suspects that the summit is designed to help bolster French influence in a region that is increasingly emerging as strategically vital. The proximity of Kenya and East Africa to Western military bases in Djibouti, as well as the ongoing tensions in nearby Somalia and Sudan, make it essential for Western powers such as France to have strong political and diplomatic networks in the region.

"I think the Nairobi Summit is really about laying the groundwork for more secretive strategic relations in the north of Kenya, where the war on Islamic terrorists continues, and in East Africa more generally to improve France's retarded position in the Indian Ocean," he says. "France also has permanently positioned troops in Djibouti."

As a response to the steady erosion of French influence in francophone Africa, Paris' motivations behind this pivot and new African strategy seem clear. In terms of what African countries can hope to achieve from this engagement, securing French investment will be a critical priority.

Yates says "even those states who speak poorly of France will not refuse its investments. France's military is perhaps less welcome, but Macron is not interested in overt displays of military power, so that is no problem."

Boom in summitry

The Nairobi Summit comes at a time when many world powers are attempting either to redefine their historical approaches to Africa – as is the United Kingdom – or are hosting similar conferences in order to strengthen their diplomatic and commercial interests. Turkey, South Korea, Saudi Arabia, Russia, and Japan are just some of the powers to have arranged Africa summits in recent years.

This means that African countries increasingly have options as to which nations they decide to partner with – a trend which, at least in theory, should optimise their chances of extracting maximum value from those relationships. As Yates puts it, "many rulers are placing their bets on both red and black in the roulette wheel of multilateralism. Spreading their bets is seen as the best strategy."

"Chinese summits, British summits, French summits… why not? The more the merrier." ■

EIB Global is the development arm of the European Investment Bank (EIB), which is the bank of the European Union. This enables the EIB to extend its impact beyond Europe to address pressing global challenges.

EIB Global: driving sustainable development and partnerships in Africa

In 2024, EIB Global – the development arm of the European Investment Bank (EIB) – signed €7.9bn across 102 projects outside the EU, with 60% targeting climate action and environmental sustainability and €6.7bn supporting the EU's Global Gateway initiative, as detailed in the *EIB Global Impact Report 2024/2025.*

In Africa, EIB Global confronts critical barriers, notably debt sustainability concerns and governance issues that severely limit public sectors' ability to fund infrastructure and development projects. With public investment constrained by high debt, volatile commodity prices and climate vulnerabilities, the private sector emerges as a vital engine for growth and EIB Global is at the forefront of unlocking its potential.

The private sector, with its agility and innovation, is uniquely positioned to fill this gap, but it requires support to scale effectively. EIB Global's strategic role is to deliver EU priorities, namely climate resilience, gender equality (28% of projects) and alignment with the UN Sustainable Development Goals, while fostering economic stability through innovative financing solutions. The EIB Global Impact Report highlights tangible outcomes from 2024: 1.8m people gained access to safe drinking water, 7.1m households were supplied with clean electricity, 800,000 jobs were sustained in small and medium enterprises (SMEs) and 600,000 benefited from improved health services.

Private-sector development

Edward Claessen, head of the EIB Eastern Africa Hub, says: "We're here to support private sector development as well… bringing not only money, but also technical assistance." By blending loans with grants

Opposite top: Edward Claessen, head of the EIB Eastern Africa Hub.

Opposite below: The *EIB Global Impact Report* highlights tangible outcomes such as 1.8m people gaining access to safe drinking water.

Right: Headquarters of the European Investment Bank in the Kirchberg district of Luxembourg City.

European Investment Bank

and leveraging its AAA-rated status, EIB Global delivers concessional financing and technical support, aligning with EU external policies and fostering win-win partnerships that drive sustainable development.

The strategic importance of EIB Global's work in Africa cannot be overstated. The continent's young population, burgeoning tech ecosystems and untapped markets present immense opportunities, but systemic barriers like limited access to finance and technical expertise must be addressed. EIB Global's interventions, through initiatives like Boost Africa, under the EU's Global Gateway strategy, are designed to empower entrepreneurs, create jobs and build resilient economies.

EIB Global's operations in Africa have a key focus on private sector development through intermediaries such as local banks, private equity and venture capital funds.

The "Invest in Young Businesses in Africa" initiative exemplifies this approach, aiming to unlock entrepreneurship and create sustainable jobs. By investing in private equity funds that target SMEs, EIB Global fosters innovation in high-growth sectors like ICT, agribusiness and financial services. EIB has so far committed €3.8bn in 178 African-focused funds, in turn helping to mobilise some €32.4bn from other investors who are attracted by EIB's early catalytic investment in these funds, highlighting the scale of its commitment.

Boost Africa

Boost Africa, a joint venture between EIB and the African Development Bank (AfDB), has mobilised €382m, investing in 73 companies across the continent, with the number expected to exceed 120 at the end of the investment period. This aligns with Global Gateway's inclusive approach, emphasising sustainable infrastructure and economic partnerships.

Boost Africa's aim is to make Africa's venture capital landscape self-sustaining in that it can organically and independently attract both local and international investors who understand Africa risk and can price it appropriately.

A key challenge arises when African fund managers approach international investors. Mentioning "Africa", "emerging or first-time fund manager" and "early-stage investment" in the same breath often triggers concerns, raising red flags in investors' minds due to perceived risks associated with the region and unproven track records. As Africa's venture capital landscape is still evolving, investors often lack comprehensive data to understand the continent's ecosystem fully. Documenting trends, advancements and lessons learned is crucial for building robust, valuable databases that enhance investor confidence and inform decision-making.

The venture capital landscape is a people business built on trust. African fund managers who are, in most cases. either first-time or emerging managers have not built the networks or relationships that are necessary to earn investors' trust. Boost Africa is taking a chance to invest in these emerging fund managers, and the initiative is providing them with a chance to prove themselves and to earn a track record for future investment.

Encouraging domestic private capital mobilisation is another key focus of Boost Africa. The continent's venture capital landscape is heavily dependent on external funding, making it susceptible to international shocks.

By blending loans with grants and leveraging its AAA-rated status, EIB Global delivers concessional financing and technical support

Local investors are less sensitive to political risk, currency risks and other changes, as they already operate in the market. This makes them particularly resilient to social or political turmoil. Many are eager to explore the venture capital market and are growing more supportive of new, local fund managers. Like their international counterparts, they prioritise profitability in their investment decisions. To accelerate this process, local investors require greater awareness and education, as many prefer direct investments in companies over private equity or venture capital funds. Additionally, most local investors tend to focus on familiar sectors, limiting opportunities for innovation and diversification in the ecosystem.

Fear is not rooted in reality

One key thing to come out of the Boost Africa initiative is that the fear of investing in Africa is more of a perception issue than reality. The EIB has structured a junior tranche or first-loss absorption mechanism when investing in African funds under Boost Africa. This means that it commits to taking on some of the losses that venture capital funds could incur and shield other investors in the same fund. This has worked to attract investors who would otherwise have shied away, giving them the chance to experience first hand that investing in Africa is indeed commercially viable.

Support for Africa's development needs through mobilisation of private capital under programmes like Boost Africa will be a key feature of the upcoming EU- AU Business Forum in Luanda, Angola in November 2025. The Forum looks to highlight how investments by European partners like the EU or EIB can further strengthen EU-AU relations for win-win outcomes.

EIB Global's collaborative model extends to Team Europe Initiatives, in which it works with EU member states and development finance institutions to maximise synergies. Strong regional focus ensures that investments are tailored to local needs while advancing EU priorities like climate action and gender equality.

EIB Global's alignment with EU external policy and Africa's development priorities establishes it as a powerful catalyst for sustainable progress across the continent. Through innovative financing mechanisms and strategic partnerships, EIB Global empowers the private sector to unlock Africa's vast potential, fostering job creation, driving innovation and contributing to global prosperity. Initiatives like Boost Africa exemplify the transformative impact of patient capital and targeted technical assistance, enabling entrepreneurs and SMEs to thrive in high-growth sectors such as technology, agriculture and financial services.

By addressing systemic barriers such as limited access to finance and technical expertise, EIB Global builds resilient, inclusive economies that prioritise climate action, gender equality and alignment with the UN Sustainable Development Goals.

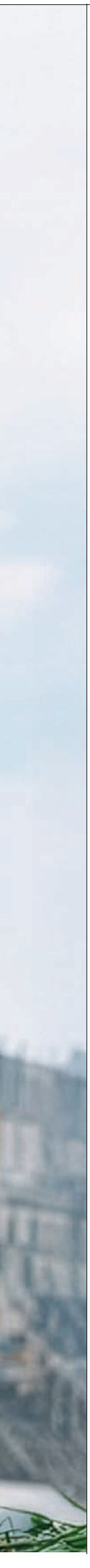
These efforts not only strengthen local ecosystems but also position Africa as a dynamic player in the global economy, paving the way for a sustainable future where opportunity and prosperity are shared widely across the continent. ■

Prime Minister Abiy Ahmed has unveiled a raft of multi-billion dollar projects, but critics wonder if delivery is feasible writes **Michael Masrie**.

Are Ethiopia's ambitious mega-projects grounded in reality?

On 9 September, during the inauguration of the Grand Ethiopian Renaissance Dam (GERD) on the Blue Nile, Ethiopian Prime Minister Abiy Ahmed spoke of a new wave of mega projects worth tens of billions of dollars. The projects are among the most ambitious in Ethiopia's modern history.

They include plans for a nuclear power programme, the launch of Africa's largest airline hub, a fertiliser complex agreement signed with Nigerian industrialist Aliko Dangote and a commitment to construct 1.5m housing units within six years. To-



gether, the government says, these ventures will anchor Ethiopia's economic transformation and send a strong signal to investors. Yet the unveiling has sparked as many questions as it has headlines. How will these projects be financed?

Big projects, big numbers

Ethiopian Airlines, long considered the crown jewel of the country's state-owned enterprises, is pressing ahead with a $10bn mega-airport project in Bishoftu, envisaged as a hub for regional air transit (*see page* 48). The African Development Bank has agreed to finance $500m of that itself, while acting as the initial mandated lead arranger, global coordinator and book runner in a bid to mobilise nearly $8bn of the $10bn needed for the mega-project. While the bulk of that financing is yet to be fully raised, the bank says that groundworks are expected to begin in late 2025, with Phase I expected to be completed by November 2029.

On 28 August the government signed a $2.5bn deal with Dangote Group to build a fertiliser plant in Gode, eastern Ethiopia. The facility, designed to produce 3m metric tons of urea annually, will be 60% owned by Dangote and 40% by state-owned Ethiopian Investment Holdings (EIH). Construction is expected to take 40 months. A significant component of this investment includes the construction of a dedicated pipeline to transport natural gas from Ethiopia's proven Hilala and Calub gas reserves to the Gode production facility.

Above: Aliko Dangote (centre) at the groundbreaking ceremony of the $2.5bn Gode Fertiliser Plant.

Opposite: Prime Minister Abiy Ahmed gives an interview by the Grand Ethiopian Renaissance Dam.

> ***'If you ask me how it will be achieved, I think it can be achieved through a PPP mode like Aliko Dangote's $2.5bn initiative'***

Nuclear intentions

But perhaps the most audacious projects are also the least concrete. The government has expressed its intention to pursue a nuclear power programme. In December, Russian nuclear energy company Rosatom signed an agreement with the Ethiopian Ministry of Innovation and Technology to start exploring the feasibility of an Ethiopia-based Centre for Nuclear Science & Technology, a potential precursor to a nuclear programme. In a presentation to the International Atomic Energy Agency last year Awel Abdela Husen, a staff member at Ethiopia's ministry of innovation and technology, referred to a plan to construct two nuclear power plant units each with around 1200 MW capacity by 2032-2034. But the plans remain vague at this stage, with the government yet to disclose the location, partners, or financing for the proposed programme.

Details for the pledge to build 1.5m houses within six years are similarly hazy. The programme, designed to ease the urban housing crisis and support sustainable city growth, would be at a scale unmatched in the country's recent history, but it remains unclear how it will be financed.

Between ambition and reality

Experts argue that such announcements demand closer scrutiny. While praising the government's "vision and long-term strategic goals," economist Addis Kassahun expresses unease over governance gaps. "I heard about those projects through media but we have not seen when these giant projects will go through the parliamentary budget approval process for reviews and approval," he tells *African Business*. "If the projects are expected to be financed via loans, there are legal and formal processes for that, to ensure proper governance and accountability," he notes.

"We have not heard from any official government ministries about such plans. To be honest, I am not sure how these will be governed without passing through the formal national budget process."

He emphasises the importance of aligning projects with national budgets to ensure oversight and public accountability.

Public-private financing options

Other analysts are more optimistic. Henok Gidey, a finance consultant, points to the recent completion of the Grand Ethiopian Renaissance Dam as a model for a successful large-scale project. He suggested that financing for such projects can be drawn from both public and private sources.

"The Commercial Bank of Ethiopia is known to have covered about 95% of the GERD budget – almost 233 billion birr – while Ethiopian Airlines' $10bn airport is supported by the African Development Bank," he says.

Public-private partnerships (PPPs), he suggests, would help to crowd in more funds for the proposed projects.

"If you ask me how it will be achieved, I think it can be achieved through a PPP mode like Aliko Dangote's $2.5bn [fertiliser] initiative," he argues.

Both Kassahun and Gidey point out that there must be clear benchmarks, such as annual housing completions, fertiliser production volumes, project milestones and financial disbursement transparency.

Independent monitoring, they argue, would strengthen confidence among citizens and international partners alike.

Checks and balances

But the risk of overextension looms. "It is a situation where if finance comes, projects move ahead; if not, they stall or are abandoned," Gidey says.

Kassahun stresses that public participation and institutional checks are essential to ensure that projects reach successful completion.

"These big projects require public participation at different levels," he says, warning that without inclusion, the gap between official announcements and ultimate impact could widen.

If delivered, the projects could transform Ethiopia's economy – cutting fertiliser imports, boosting aviation capacity, diversifying energy and easing urban housing shortages. But, says Kassahun, ambitious pledges without follow-through risk "creating a cycle of headlines without delivery." ■

The US International Development Finance Corporation will play a role in financing Bishoftu International Airport, which could lead to direct flights to the US, more airline orders for Boeing and a renewal of US-Ethiopia ties, writes **Harry Clynch***.*

US draws closer to Ethiopia with backing for $10bn airport

In early October the United States announced that it would be helping to finance the construction of a new $10bn airport in Ethiopia, as the country seeks to extend its strategic and commercial interests in the Horn of Africa. During a recent visit to Ethiopia prior to the United Nations General Assembly, the US's senior advisor for Africa, Massad Boulous, announced that the US would be supporting the construction of the Bishoftu International Airport.

The new hub, 40 km south of the capital Addis Ababa, is planned to ease congestion at the existing Bole International Airport and help the state-carrier Ethiopian Airlines continue on its strong growth trajectory.

Boulous confirmed that the US International Development Finance Corporation (DFC) will play a role in financing the airport, which is ultimately planned to carry more than 100m passengers and almost 4m tonnes of cargo each year by 2029. He also noted that the DFC is collaborating with US aviation giant Boeing, which is a major supplier to Ethiopian Airlines, on initiatives related to Ethiopia and other African markets.

Direct flights on the horizon

Sean Mendis, an African aviation expert, explains that the US is motivated by "both strategic and commercial motivations… The construction of the new airport is critical for Ethiopian Airlines, particularly

Above: Ethiopian Prime Minister Abiy Ahmed arriving back at Bole International Airport.

because of both the location and the altitude of the existing Bole airport.

"It is right in the middle of town, so the potential for expansion is limited: it has pretty much grown as far as it can grow, but Ethiopian Airlines wants to expand further."

"More importantly, Bole is also at a significantly higher altitude than the new proposed site – Bishoftu will be over 2000 feet lower. The altitude of the current airport means that Ethiopian Airlines is not able to fly non-stop to North America without significant restrictions on the aircraft," he adds, because the take-off weight of planes is restricted.

"Now they can only fly to North America if the planes stop in Lomé, Abidjan, or Rome [to refuel], meaning more costs and more time." Mendis suggests that securing this non-stop connectivity is likely to be a major motivating factor for the US, particularly given the geostrategic importance of the Horn of Africa.

"The US has a number of military bases, outposts and missions in the region – whether that is in South Sudan, or Somalia, or Yemen, which are all places within a short distance of Ethiopia," Mendis says. "Having the ability to get people in and out of there more quickly and easily could be part of their considerations."

Sindy Foster, an African aviation analyst and principal managing partner at London-based aviation consultancy Avaero Capital Partners, similarly notes that this deal helps "to anchor US influence in a critical corridor".

> ***'The construction of the new airport is critical for Ethiopian Airlines, particularly because of both the location and altitude of the existing Bole airport'***

Ethiopian Airlines a key Boeing customer

The US decision to help finance this new project also has commercial motivations, not least because of the importance of Ethiopian Airlines to Boeing, which employs almost 150,000 people in the US. In 2023 Ethiopian Airlines ordered 31 Boeing jets, with an option for 36 more. The initial 31 planes alone represented a $5.6bn order, the largest purchase of Boeing jets ever made by an African airline.

This has been followed up with further orders. Ethiopian Airlines is now waiting for more than 100 Boeing planes, though delays have hampered the airline's expansion plans. Mendis points out that "Boeing has a definite interest in this airport coming into being, because once they are able to fly non-stop from Addis Ababa to destinations across the US, that opens up the door for Boeing to sell more planes to Ethiopian Airlines."

"In particular, the Boeing 777 models that Ethiopian Airlines has committed to are intended to fly non-stop between Addis Ababa and North America." Foster adds that the US decision to help finance Bishoftu is "clearly part of a bigger US play… Ethiopian Airlines is Boeing's biggest African customer, and this airport will help strengthen that industrial and aviation relationship."

"It could also help open up opportunities for US companies in sectors beyond aviation," Foster tells *African Business*. "Expect US interest in East African industries such as logistics, digital infrastructure, clean energy, health and agri-processing – all sectors that plug into a cargo-driven strategy."

Bolstering US influence in East Africa

Given the focus of the current US administration on diminishing the global influence of China, some analysts have suggested the project could also be designed to bolster US authority in East Africa and the wider region, at the expense of Beijing. Ethiopia, with the second-largest population on the continent, has emerged as an important country in this respect. While maintaining strong relationships with the US and Western organisations – not least because of the ongoing financial support package being delivered by the World Bank and the International Monetary Fund (IMF) – Addis Ababa has also developed strong relationships with Beijing, particularly since joining the BRICS group of emerging economies in 2024.

Relations with the US slumped during the devastating civil war in the Tigray region; the Biden administration restricted economic and security assistance to Ethiopia and cut access to the tariff-free African Growth and Opportunity Act. Some aid restrictions were rolled back in 2023, but the Trump administration in September renewed national emergency legislation introduced to deal with "the unusual and extraordinary threat to the national security and foreign policy of the United States constituted by the situation in and in relation to northern Ethiopia".

By contrast, China is the leading source of foreign direct investment into Ethiopia, with the Ethiopia Investment Commission (EIC) recently saying there are over 4,500 Chinese-run projects currently ongoing in the country. Foster believes that "this definitely looks like Washington trying to counter Beijing's infrastructure dominance with a flagship aviation investment – it signals an alternative financing model with less sovereign debt [compared to Chinese financing models]."

Mendis is sceptical that the project will be enough to diminish China's influence. "Even with this project being partly financed by the US, the likelihood is that the bulk of the construction will be done by Chinese companies," he tells *African Business*. "The US is not competitive in providing construction solutions for commercial projects in Africa – that is pretty much locked in by China, Turkey and other players who can do as good a job much cheaper."

While likely insufficient to seriously counter Chinese influence, the US decision on the new airport does reflect the importance Washington is placing on its relationship with Addis Ababa, given the strategic relevance of the Horn of Africa, Ethiopia's proximity to a major US naval base in neighbouring Djibouti and the commercial importance of Ethiopian Airlines to Boeing. Mendis also believes that Bishoftu International Airport is simply a relatively safe investment decision with the potential to offer high returns. The commercial success of Ethiopian Airlines – which is posting annual revenues in excess of $7.5bn, which suggests a valuation of $14bn – and the relative stability of the Ethiopian market give the US strong reasons to get involved. The participation of multinational organisations such as the African Development Bank (AfDB) further helps to minimise the downside risks.

As Mendis notes, this is "a solid infrastructure project with as blue chip a return as you can get from African infrastructure". ■

The government's reforms have raised hopes of a business revolution, but entrepreneurship remains misunderstood in a country where millions are unemployed and the state has long dominated, writes **Harry Clynch** *in Addis Ababa.*

Can Ethiopia's economic liberalisation lead to a jobs boom?

Since coming to power in 2018, Ethiopia's Prime Minister Abiy Ahmed has embarked on an programme of economic liberalisation in a bid to position the nation as one of Africa's fastest-growing economies. Pivoting from the state-led model which has dominated the Ethiopian economy for decades since the communist revolution of 1974, Abiy has opened strategic sectors such as banking and telecommunications to foreign competition for the first time.

The floating of the Ethiopian birr in July last year was a particularly painful experience: it immediately devalued by more than 30% against the dollar, prompting an increase in inflation to 17.5%. But these liberalising measures have allowed the Ethiopian government to access billions of dollars in funding from international partners to support macroeconomic stability and economic growth. Shortly after floating the birr, Ethiopia secured a $3.4bn financing deal from the International Monetary Fund (IMF) and a further $1.5bn from the World Bank.

These reforms have opened up opportunities for investors in Africa's second most populous market after Nigeria, with a population of over 130m. The IMF predicts growth of 7.2% in 2025 after 8.1% last year, which would place Ethiopia among the fastest-growing economies in the region. Recent data from the Ethiopian Investment Commission (EIC) shows that foreign direct investment into the country rose by 5.6% in the 2024/25 fiscal year; the agency said that "this performance demonstrates investors' confidence in the country's ongoing macroeconomic reforms."

"Through its efforts to streamline investment processes and improve service delivery, the EIC has

increased investor confidence by 20%." But one crucial area is lagging: job creation. Bernard Laurendeau, managing partner at consultancy firm Laurendeau & Associates, explains that the country's huge young population and its imminent entry into the workforce means that millions of new jobs are required.

The unemployment rate in Ethiopia last year was approximately 3.4%, with youth unemployment slightly higher at 5.4%. But in a young country with a median age just under 20, more than 2m job seekers are entering the labour market every year. Particularly in Ethiopia's urban areas – where the population is projected to nearly triple by 2034 – it is critical for the country to create a sufficient number of jobs to match the growth of the employment market.

Speaking to *African Business* in Addis Ababa, Laurendeau, who previously served as a senior advisor to Ethiopia's Jobs Creation Commission, says that "Ethiopia has an urgent need to generate millions of jobs annually to match its youth bulge."

"The numbers are stark: Ethiopia needs to create more than 10,000 jobs every single day to provide enough employment for its citizens," Laurendeau adds. "If we do not succeed in this, the risks are not just economic: high rates of unemployment, particularly among young men, are a recipe for disorder and social unrest. Mass unemployment could also trigger higher outward migration flows at a time when governments across Europe and the United States are under political pressure to reduce levels of immigration."

> ***'There are lots of things going in Ethiopia's favour. The opening up of the second largest market in Africa can be an attractive proposition'***

Job creation schemes launched

The Ethiopian government appears to recognise this and has cooperated with international organisations on a range of job creation schemes. It recently worked with the World Bank on the Urban Institutional and Infrastructure Development Programme, an $850m project which was also supported by the French development agency AFD. This involved working with local government bodies across Ethiopia to enhance their urban development capabilities, support infrastructure investment and job creation.

Similar programmes have also been set up with organisations such as the Mastercard Foundation, which says it aims to create training and job opportunities for 42,000 people across the country.

While such initiatives can play a role in boosting employment, Laurendeau believes there should be a firmer focus on unleashing growth in the private sector to create the required jobs.

"The scale of job creation Ethiopia – and indeed much of Africa – needs cannot be achieved through the usual approaches that depend on foreign assistance or philanthropic efforts," Laurendeau says. "Governments can set the vision and create the right enabling environment, but it is the private sector – startups, innovators and entrepreneurs – that will be the real engines of economic growth and job creation."

Startups and digital growth could help

Laurendeau is optimistic that the country's "Startup Act", which was passed in July this year, is a step in this direction. The new law offers a formal definition for startups in Ethiopia and introduces a regulatory framework, including a National Startup Council, that puts these companies on a firmer legal footing.

Bodies like the new council will also implement a range of initiatives aimed at supporting the growth of startups, such as facilitating access to investment funding, creating incubation spaces and providing tax incentives. A new Ethiopian Startup Fund will provide an initial $36m in grants and soft loans to qualifying ventures.

Opposite: Amref Health Africa and Safaricom Ethiopia provide a one-year online training scholarship in the digital sector.

Entirely new types of work

Laurendeau hopes that the recent legislation will "represent a turning point in how the government thinks about job creation. For too long African governments have viewed employment through a linear lens: tied to traditional industries and incremental growth," he says. "By contrast, the potential of innovative startups is enormous: technology can allow us to leapfrog and create entirely new types of work."

The Ethiopian government has sought to emphasise its commitment to the tech sector by focusing on training young people with the digital skills required to participate in this emerging economy.

For example, last year, in partnership with the government of the United Arab Emirates, Ethiopia launched its "five million coders" initiative, aimed at training young people on subjects such as web programming, data science and artificial intelligence.

Partly as a result of Ethiopia's liberalising reforms and other measures, many analysts expect the country's digital economy to continue growing. According to a report by the state-run Ethio Telecom company, the digital economy could add up to $10.8bn to the country's GDP by 2028.

Presuming this growth does transpire – and there remain some obstacles to this, not least ongoing security concerns within Ethiopia and the potential for macroeconomic instability – the key task will be ensuring this translates into jobs.

Change of mindset needed

Laurendeau argues this will depend on successfully building a market where startups and businesses can thrive. "Despite the challenges, there are lots of things going in Ethiopia's favour. The opening up of the second largest market in Africa can be an attractive proposition for investors if we can get the conditions right," he says.

"We must channel this momentum into entrepreneurship – giving businesses access to the capital, mentorship and markets they need to grow. When startups begin to scale widely, they create value chains and jobs that multiply across the economy."

He argues that, more broadly, a change in mindset is also required after decades of state dominance of the economy. "Entrepreneurs are not only crucial but simply necessary for a country to grow. Entrepreneurs are, after all, the ones who take risks and create the jobs we desperately need."

"In Ethiopia, the word 'entrepreneur' is misunderstood. People relate an entrepreneur only with a young graduate student dropout coding away on a laptop decorated with lots of stickers. They do not see [Nigerian billionaire] Aliko Dangote as an entrepreneur. The word 'startup' is unfortunately misunderstood as well." ■

Under the theme "Fuelling Africa's Next Leap: Harnessing Trade, Investment, Infrastructure and Technology for Growth", the Africa Collective Davos 2026 Week collaboration once again provides a platform to advance African economic and investment priorities during the world's most influential economic gathering.

Fuelling Africa's next leap: harnessing trade, investment, infrastructure and technology for growth

Amid geopolitical fragmentation, protectionist shifts and ongoing global uncertainty, Africa is moving forward with purpose. Regional integration through the African Continental Free Trade Area (AfCFTA), coupled with infrastructure expansion, industrial diversification, technological advancement and a thriving creative economy, continues to drive the continent's upward trajectory.

To sustain and accelerate this momentum, it is essential to harness the interconnected power of trade, investment, infrastructure and technology to strengthen self-reliance and deepen economic linkages across the continent.

Setting the scene: Africa in a changing global order

The close of 2025 marks a pivotal moment for Africa's global economic engagement. The expiry of the African Growth and Opportunity Act (AGOA), combined with disruptions in global trade and higher tariffs on key African exports, is reshaping external relationships. This creates an opportunity for recalibration and renewed emphasis on intra-African trade. At the same time, South Africa's presidency of the G20 group of nations and its business counterpart the B20 places the continent at the centre of international policy dialogue. It offers a unique opportunity to integrate African priorities into global frameworks and advocate for more equitable trade, investment and financing systems.

Through its continued presence in Davos, Africa Collective, together with the AfCFTA Secretariat and the African Export-Import Bank (Afreximbank), showcases Africa's economic leadership and ambition.

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In partnership with King's College Hospital London

The African Medical Centre of Excellence (AMCE) in Abuja.

The 2026 edition of Africa Collective Davos will focus on connecting the continent's physical and digital infrastructure with its trade and investment priorities to fuel the next phase of growth.

Building on last year's momentum, this year's focus signals a transition from potential to acceleration, reflecting Africa's determination to shape its own growth narrative.

Building transformative infrastructure

Infrastructure remains both the backbone and the catalyst of Africa's development. It is estimated that the continent must invest more than $170bn annually to close existing gaps across transport, energy, water and telecommunications.

Achieving this scale requires coordination between governments, development finance institutions and the private sector.

Investment in digital infrastructure is equally vital. Across the continent, data centres, broadband networks and e-commerce platforms are enabling Africa's participation in the digital economy and facilitating cross-border trade.

These systems are crucial for efficient logistics, financial inclusion and supply chain transparency. By building digital ecosystems that support trade, investment, healthcare and education, Africa is laying the foundation for inclusive, technology-enabled growth.

Driving industrialisation and health innovation

Africa's next leap depends on value addition, industrial diversification and stronger regional value chains. The continent's growth cannot rely solely on the export of raw materials.

To advance this shift, Afreximbank, in partnership with ARISE Integrated Industrial Platforms (ARISE IIP), is co-developing industrial parks and special economic zones across several countries. The Africa Textile Renaissance Plan, implemented with textile machinery manufacturer Rieter AG, is one of the first initiatives to bring this vision to life. It establishes regional manufacturing ecosystems that transform locally grown cotton into globally competitive textiles and garments, reducing reliance on imports and strengthening regional supply chains.

Financiers and investors continue to play a pivotal role in enabling this expansion. They are structuring complex cross-border financing arrangements and mobilising private capital for manufacturing, logistics and renewable energy ventures.

At the same time, innovation in healthcare is emerging as a complementary driver of industrialisation. Although shifting global priorities have led to the reallocation or withdrawal of some funding streams, growing investment in infrastructure and technology, combined with stronger local resource mobilisation, is opening new avenues to strengthen health systems and expand access to care.

Pharmaceutical corporation Novartis continues to invest in Africa's knowledge economy through research, innovation and supply-chain strengthening. These efforts demonstrate how industrialisation and healthcare advancement can reinforce one another, enhancing human capital, improving productivity and supporting sustainable growth.

Strengthening regional health systems

The African Medical Centre of Excellence (AMCE) in Abuja, spearheaded by Afreximbank in partnership with King's College Hospital, London, and the Federal Government of Nigeria, represents one of the most significant healthcare investments on the continent. Designed as a tertiary-care and research facility, the AMCE will provide advanced oncology, cardiology and haematology services while training the next generation of African medical professionals.

From 19 to 22 January 2026 the Africa Collective will convene global and pan-African stakeholders to the Africa Collective Hub in Davos to engage in the conversations and partnerships driving Africa's next leap.

Taking place at the centrally located Hard Rock Hotel in Davos, the event will bring together key decision-makers and visionaries from the business, investment and public sector communities to engage in discussions of strategic importance to Africa's economic future. For more information visit www.africacollective.com

This initiative reflects a growing recognition that healthcare is both a social and an economic priority. By developing regional centres of excellence, Africa is enhancing resilience and reducing reliance on imported medicines and external expertise.

Integrating technology for growth

Technology is the connective thread across Africa's development. Digital platforms now underpin trade logistics, financial inclusion, education and healthcare delivery. From the Pan-African Payment and Settlement System (PAPSS) to fintech innovations, Africa's digital transformation is improving efficiency, transparency and inclusion. According to the World Bank, Africa's digital economy could contribute $180bn to GDP by 2025 and more than $700bn by 2050 if connectivity and regulatory reforms continue to accelerate. Investments in fibre networks, data centres and digital entrepreneurship are key to this transformation.

At Davos 2026 Africa Collective will highlight how digital tools amplify trade and investment across sectors. The discussions will emphasise technology's role in shaping a more integrated, competitive and innovative Africa.

The Africa Collective Davos 2026 programme

The Africa Collective Davos 2026 programme follows the recent relaunch of Africa Collective as a unified global Africa platform, positioned to convene visionary leaders and organisations around Africa's most pressing priorities. Under its expanded thematic structure known as Africa Collective Circles, the platform now connects key sectors including infrastructure, healthcare, ventures and creative industries providing more opportunities for collaboration.

Throughout Davos Week, the Africa Collective Hub will host high-level engagements, including thematic panels, deal rooms, roundtables, networking receptions, a closing and outlook luncheon and the Africa Collective Ideas Lab, where innovative partnerships and models will be developed. It will include a glass pavilion, member and partner lounge, suites and a chapel, offering both public visibility and private spaces for strategic engagement. This expanded presence reflects the continent's growing influence within the global business and policy community.

Charting a unified course forward

Africa stands on the threshold of a decisive decade. Its future depends on aligning trade, investment, infrastructure and technology while unlocking the potential of its youthful population. Moving beyond its long-documented promise, the continent now faces the challenge of coordination and delivery at scale.

Africa Collective Partners demonstrate what is possible when public and private actors collaborate toward shared goals. The task ahead is not only to participate in the global economy but to shape it, defining an African model of growth that is inclusive, innovative and self-sustaining. ■

CNN

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25TH ANNIVERSARY

THROUGH THE EYES OF INNOVATORS

Mercy Grimah
Instructor at the Deaf Technology Foundation in Jos, Nigeria

Africa's optimism runs deep – driven by the passion and potential of its burgeoning youth.

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Encouraged by its diplomatic triumph at the African Union level, the Republic of Djibouti is once again making its mark on the continental stage. By hosting the first African Gazettes Forum, the small state in the Horn of Africa is leveraging another source of influence: legal governance and institutional transparency.

First African Gazettes Forum sets new trend in motion

In February 2025, the Republic of Djibouti scored a major diplomatic coup – its Minister of Foreign Affairs, Mahmoud Ali Youssouf, was elected chairperson of the African Union Commission, giving the country unprecedented visibility on the continental stage. Eight months later, the momentum continues unabated. This ambitious country of one million inhabitants now intends to project its influence into quite another area: the law and data.

It was in this spirit that Djibouti hosted the first African Gazettes Forum on 15 and 16 October, dedicated to legal governance and digital sovereignty. This unprecedented event, at the crossroads of law and digital technology, brought together 18 African delegations to discuss legal governance, institutional transparency and control of public information.

African Gaze
Forum & Héri
Du 15 au 16 Octobr

Above: H.E. Ismaïl Omar Guelleh, President of the Republic of Djibouti.
Below: participants in the African Gazettes Forum in Djibouti on 15 and 16 October.

A small state with big ambitions

Most of the delegates were discovering the Republic of Djibouti for the first time. This state in the Horn of Africa is often cited as an example of political and economic stability. Known for hosting several foreign military bases, boosted by its ports and with its currency pegged to the dollar, Djibouti has enjoyed steady growth for more than 20 years and, more recently, has asserted its influence on the regional and the continental stage.

By initiating and hosting the first ever African Gazettes Forum, Djibouti intends now to show that it is no longer limited to its role as a logistics hub – with 90% of Ethiopian imports transiting through its ports. It is seeking to diversify its influence, like the other major hubs in the Gulf, based on openness and quality of services, but this time also in the fields of law and digital technology.

To underscore the importance of the subject of the Forum, President Ismaïl Omar Guelleh himself inaugurated the event. The opening ceremony, held in the great hall of the National Library and Archives, highlighted the significance of the Forum and why it was taking place. "The *Official Journal* [a gazette recording laws passed] is an integral part of the history of each of our countries", he said, addressing delegations from 18 African countries including Senegal, Morocco, Algeria, the Comoros and Somalia. He called for the "protection of this institutional memory" of the African continent.

The guardians of the temple of law

At first glance, the subject might seem austere. Who, apart from lawyers, is interested in the country gazettes? And yet, every state depends on this discreet pillar which makes laws public and gives them force. "It is the backbone of a state," says Almis Mohamed Abdillahi, secretary general of the govern-

ment and organiser of the forum. "Without a solid legal framework, a state cannot exist nor stand."

For this first edition of the Forum, Djibouti brought together those it calls "the guardians of the temple" – ministers, vice-ministers, directors general of national printing offices, archivists, legal experts – the artisans of law who work invisibly behind the scenes to ensure the legal continuity of states.

For the continent at large, the archival reality remains mixed. Some states still publish their texts on paper, on an irregular basis, while others are moving towards digitisation but without a common framework or interoperability.

From its own experience, Djibouti felt the need to convene a forum of major players, the first in Africa, to give this vital issue a thorough and varied airing.

When he took over office four years ago, secretary general Almis Mohamed Abdillahi found the platform at a standstill and the archives under threat. There was also no real cooperation nor sharing of ideas at a continental level.

"I wanted to ask my neighbours for help, and that's when I saw that there was a void," he says. This situation gave rise to a two-fold project: to restore Djibouti's "legislative memory" and to build an African space for cooperation on the subject.

Djibouti has now digitised 125 years of archives, from 1900 to the present day. The *Official Journal* is consulted by more than 2,000 people every day. For Almis Mohamed Abdillahi, the African Gazettes Forum is a natural extension of this work. "We wanted to share this experience and encourage other countries to do the same."

Sharing experiences and African convergence

Over the course of two days delegates shared their experiences. Mohamed Abdillahi said: "This is the first time such a forum has been organised in Africa. Djibouti is leading the way, having digitised 125 years of official gazettes... There is still a long way to go," he acknowledged, hailing "a unique space for dialogue between those who preserve the continent's legal institutional memory".

There was similar enthusiasm in Somalia, where civil wars have interrupted the publication of gazettes for more than two decades. "We are now republishing them online, in Somali and English. This African cooperation is essential to consolidate transparency," says Ahmed Abdirahman Hassan, Somalia's deputy minister of justice and constitutional affairs.

In Burkina Faso, which is in the midst of a digital modernisation project, the head of the *Official Gazette* department, Wiobepoui Ignace Bationo, insists on one point: making the *Official Gazette* known to as many people as possible. "Today, for many citizens, especially in our regions, if you say *Journal Officiel*, few people know what it is or what it is inside it," he observes. "Let's say that no one is supposed to be ignorant of the law, but what is being done to ensure that the law is not ignored but is known?"

The same view is shared in Tunisia, where Moncef Awadi, a civil servant in the prime minister's office, points out that the *Journal Officiel* is only one link in the administrative chain. "Publishing is not enough; the law must be made understandable and accessible to all."

Hibo Moumin Assoweh, minister of youth and culture.

Discussions also focused on the new challenges of digital technology; the use of artificial intelligence to index texts; data security and the sensitive issue of data hosting. "Who hosts our legal texts? Who controls the memory of our states?" asked one participant, summarising the fear of dependence on foreign-owned cloud services.

This was equally an opportunity for Djibouti to display its digital expertise: it is one of the most connected countries on the continent, with a dozen submarine cables crossing its territory. It now wants to transform this geostrategic position into a lever for sovereignty by developing its own data centres and a legal framework dedicated to digital governance.

A parallel exhibition

In parallel with the African Gazettes Forum, a heritage exhibition, mounted in the same building, traced the history of the country, from the first sultanates to independence, and showed how the digitisation of the archives is part of an historical continuum. "Tracing our history means understanding how the state was built in order to better advance it," summarised Hibo Moumin Assoweh, minister of youth and culture.

As the forum drew to a close, Almis Mohamed Abdillahi emphasised the need to maintain the collective momentum. "The train has left the station," he said, hailing "the beginnings of the birth of an African digital law community".

The second edition of the Forum has already been announced for 2026 in Djibouti, probably a sign that the momentum is beginning. Understanding our past is critical to charting our future, a point President Ismaïl Omar Guelleh reiterated in his opening speech calling for even more work on this front: "We must now go back to the history of the sultanates to digitise our entire memory." ■

Why Djibouti left the franc zone for the dollar

In 1949, France decided to peg the Djiboutian franc to the US dollar in order to restore monetary confidence. This decision, unprecedented in Africa, has provided the country with stability that has lasted for seventy-five years.

Invited to speak at the first African Gazettes Forum, Franco-Djiboutian lecturer, researcher and specialist in the monetary systems of the Horn of Africa Moustapha Aman looks back on this unique story – and did so at a time when the debate on the CFA franc is resurfacing in West Africa, particularly in the Sahel, he noted.

In 1949 the French Somali Coast, the future Republic of Djibouti, became the first African territory to leave the franc zone. After a series of devaluations and a traumatic reform in 1943 — which forced residents to exchange their banknotes at a discount of 50% to 90% — confidence in the French franc was shattered.

Paris then authorised an unprecedented move: pegging the local currency to the US dollar in order to restore stability and preserve the port's competitiveness vis-à-vis Aden, the neighbouring British-administered gateway.

"This pegging to the dollar was not a monetary whim, it was a geopolitical calculation," says Aman.

By deviating from its principle of monetary unity, France was seeking above all to preserve its influence in the region. "The project was kept confidential until the last moment so as not to give other colonies any ideas", says the lecturer and researcher.

Seventy-five years of stability

Seventy-five years later, this currency has never been devalued. This consistency has enabled Djibouti to develop a solid financial sector and become a recognised regional banking centre in the Horn of Africa.

But today, as the BRICS countries pursue their de-dollarisation strategy and several West African countries question their monetary future, the Djiboutian example is resurfacing. "Back in 1949, the question was the same: how to leave a monetary zone without losing the stability it guarantees?" recalls Aman. He calls for a rethink, when the time comes, of the Djiboutian franc's pegging so that it continues to serve national interests in a changing world.

Djibouti Gazette restored to life

The Official Journal of the Djibouti Government, the *Djibouti Gazette*, which had closed down, is now back and alive and well. This is largely thanks to Almis Mohamed Abdillahi, the secretary-general of the government since 2021.

The *Gazette* is an official government publication that records and publishes new laws and decrees, appointments and administrative notices and other official acts of the state.

In the four years since his appointment, Almis Abdillahi has relaunched the platform, restored old issues of the Journal and trained a dozen young people to digitise 125 years of legal history.

He is also the main force behind the first African Gazettes Forum, which brought together 18 countries around a single idea – how to make law a public and sovereign good.

Here he is in conversation with *African Business* magazine.

African Business: *What is your overall assessment of this first African Gazettes Forum?*

Almis Mohamed Abdillahi: It's a first on our continent. We brought together eighteen countries, which were able to discuss these issues with each other for the first time. Ministers, vice-ministers, the directors of national printing works, archives, official gazettes – all these guardians of the temple who never travel and often work in the shadows. Some of them

> ‘Some of them said to me, “you have made a dream come true.” This shows there was a real need for exchange between those who, on a daily basis, guarantee the legal continuity of our states’

said to me that "you have made a dream come true."

This shows that there was a real need for exchange between those who, on a daily basis, guarantee the legal continuity of our states.

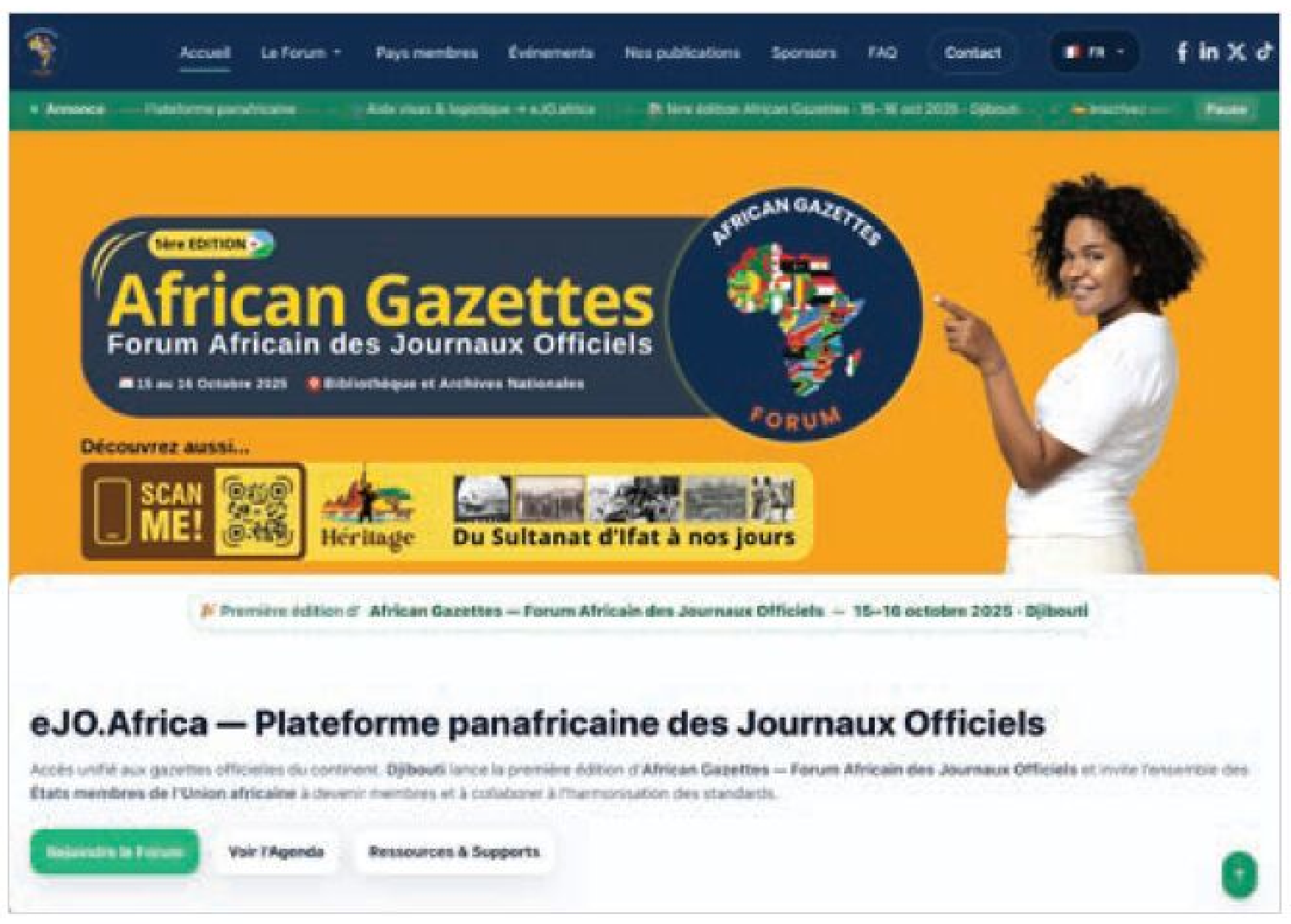
How did this initiative come about?

When I took up my post four years ago, I found the platform at a standstill and archives in peril.

For some years, the *Journal officiel* existed only as single paper copy.

My first instinct was to seek help abroad, particularly in Morocco, and that's when I realised that there was no framework for cooperation between African countries on this issue.

In the absence of a framework for cooperation between African countries, we understood that we first had to set an example by launching the project ourselves with our own resources.



Première édition d' African Gazettes — Forum Africain des Journaux Officiels — 15–16 octobre 2025 · Djibouti

eJO.Africa — Plateforme panafricaine des Journaux Officiels

Accès unifié aux gazettes officielles du continent. **Djibouti** lance la première édition d'**African Gazettes — Forum Africain des Journaux Officiels** et invite l'ensemble des **États membres de l'Union africaine** à devenir membres et à collaborer à l'harmonisation des standards.

Above: eJO.africa – the website of the African Gazettes Forum.

How did the digitisation project go?

First we physically restored the *Official Journals*, sometimes sheet by sheet, using Japanese paper to reinforce the most damaged copies.

Then we chose the most demanding route: digitisation with character recognition, paragraph by paragraph, rather than a simple conversion to PDF.

Seven young people, then ten, trained on site and worked for months.

They spent ten months to cover the period from independence in 1977 to the present day, A year later we were able to

After decades of conflict, Somalia is rebuilding legal history

Deprived of an official gazette for more than 20 years, Somalia is now rebuilding its legislative history through digital technology. This renaissance is being driven by the Ministry of Justice, which is determined to make the law visible, accessible and understandable to all.

Speaking at the African Gazettes Forum, Somali deputy minister of justice Ahmed Abdirahman Hassan recounted how his country has resumed its institutional record-keeping.

Left: Somali deputy minister of justice Ahmed Abdirahman Hassan.

"During the civil war, our laws existed, but no one could consult them," he explained. The conflict had paralysed the state and interrupted all official publications. Decrees circulated from hand to hand, without any framework, in a climate of lasting legal uncertainty.

The restart began after the political transition period in the early 2010s. "Since the 1960s, every text has followed the same path: it is prepared by a ministry, reviewed by the Ministry of Justice, adopted by Parliament, and then published in the *Official Gazette*,"

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digitise the *Journal* back to 1900. Every week, they presented a progress report of the project at follow-up meetings – a painstaking task carried out under my direct supervision. In total, 125 years of legal history have been put online.

And all this with a modest budget?
Yes, only $250,000, over two years and seven months. We made do with local resources, without outside experts. The platform was first planned as a paid service, but we agreed to make it completely free. And it worked. Today, we are talking about several thousand connections every day, 60% of which are from Djibouti.

You often talk about 'legal governance'. What do you mean by that?
Legal governance is the foundation of everything. If a country doesn't know its own laws, how can it draft new ones?

The *Journal Officiel* is the memory of the nation. It's where you find the country's political life, appointments and developments. Digitising these archives is like engraving our laws in stone. It's a deep act of sovereignty.

> **'Legal governance is the foundation of everything. If a country doesn't know its own laws, how can it draft new ones? The *Journal Officiel* is the memory of the nation. It's where you find the country's political life, appointments and developments… Digitising these archives is a deep act of sovereignty'**

And now, what's next for this forum?
We want to build an African digital law community. The idea of an inter-state charter is still relevant, but we need more policymakers at the table.

Djibouti is ready to host the second edition of the forum next year.

Africa must take control of its data, above all its legal data, otherwise others will write our history. ■

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says the Minister. This mechanism, which had long been broken, is now working again. Publication resumed in the mid-2010s, in Somali, English and Arabic.

The next step is to make the entire collection available online. "The process is almost complete," he said. "We want every citizen to have direct access to the law, without an intermediary".

The project is part of a broader modernisation programme supported by the World Bank and several regional partners, with the aim of ensuring the traceability of public decisions and enhancing transparency. "This is the best way to inform people about new laws and bring justice closer to citizens," said Ahmed Hassan.

The Minister praised the "brotherhood and courage" of the Republic of Djibouti, a sister nation that has managed to preserve the continuity of the state and host the Forum. The linguistic and cultural proximity between the two countries – Somali is spoken on both sides of the border – facilitates this cooperation. "The Republic of Djibouti has played a key role in the institutional reconstruction of Somalia and in the consolidation of regional peace," he emphasised.

Somalia also supports the idea of an African Gazettes Charter, symbolising a shared commitment to transparency and regional cooperation, which could be established at the second African Gazettes Forum next year.

By focusing on digital technology, Somalia wants to turn the page on decades of instability and put the rule of law back at the heart of reconstruction.

BANQUE CENTRALE DE DJIBOUTI
البنك المركزي الجيبوتي
JH
ANSIE
AGENCE NATIONALE DES SYSTEMES D'INFORMATION DE L'ETAT
SIHD
SOCIÉTÉ INTERNATIONALE DES HYDROCARBURES DE DJIBOUTI
CHAMBRE DE COMMERCE DE DJIBOUTI
DCG DJIBOUTI CONSULTING GROUP
فندق أيلا جيبوتي
AYLA DJIBOUTI HOTEL
PKF
Ministère du Budget

Artificial Intelligence (AI) dominated the agenda at this year's edition of the Gulf Information Technology Exhibition (GITEX) Global, held in October in Dubai. Organisers say this year's gathering drew record participation, including more than 6,800 exhibitors, 2,000 startups and 1,200 investors from 180 countries. **Lennox Yieke** *reports.*

AI dominates GITEX Global: Can Africa seize the opportunity?

Dubai 2025
GITEX
GLOBAL
Finder Group AI.

Among the most anticipated sessions at the Gulf Information Technology Exhibition (GITEX) Global was an appearance by OpenAI co-founder and CEO Sam Altman alongside Peng Xiao, group CEO of Abu Dhabi-based AI company G42. Xiao took to the main stage in front of capacity crowds while Altman joined virtually. The organisations that the two tech leaders head are both at the forefront of the global AI revolution. They are also partners in the UAE's most ambitious AI infrastructure initiative yet: Stargate UAE. This is a planned 5 GW AI supercomputing campus in Abu Dhabi that will be among the world's largest when complete.

G42 announced during GITEX that the first 200 MW of capacity for Stargate UAE are expected to come online in 2026. The project's first phase is being developed in partnership with OpenAI, Nvidia, Cisco, Oracle and Japan's SoftBank.

It is part of the UAE's bid to diversify its oil-based economy and attract investments in tech and AI, leveraging its close US ties to access advanced American technologies.

Reflecting on the UAE's emergence as a global AI leader, Altman and Xiao discussed how countries around the world can move from being early adopters of AI to what they described as "AI-native societies".

Make AI a top three government agenda

"In my mind there are four major factors for a nation to succeed in being AI native. You must have a strong political leadership. The push must come from the top down; it needs to be a top three, maybe even top one priority, for the government agenda," Xiao said.

"You need to educate your population, your whole society, to embrace AI. Infrastructure is key… Sam and his team decided back in May this year to make UAE the first international site for Stargate development. The fourth factor for success is global partnership," Xiao continued.

Altman said the UAE's ascendancy on the global tech scene offers other countries a roadmap for successful AI adoption. "We think every country is going to need to have an AI strategy, and it's got to be a top priority for the national leadership.

"The leadership of the UAE on this has been incredible to see. I hope that it can serve as an example for the rest of the world about what it looks like for a forward-thinking country to really embrace AI and say 'this is going to be an important part of our future'," he said.

Altman's call for countries to craft national AI strategies has been well heeded in Africa. Ethiopia, Nigeria, Libya, Zambia and Mauritania published frameworks on their national AI strategies in 2024, while Côte d'Ivoire, Kenya, Namibia, Lesotho and Tanzania followed in 2025 with their own plans or drafts. In total, at least fifteen countries now have national AI strategies, in addition to two continental frameworks. But despite the strong initiative and palpable ambition, investments in AI in Africa continue to trail other regions by a considerable margin.

The continent hosts fewer than 1% of the world's data centres, and only around 3% of global AI talent is based in Africa. Without an uptick in investments, experts fear that AI risks becoming another imported technology to which Africa must adapt – rather than a field in which the continent actively contributes, innovates and leads.

Promoting fluency in AI

Philip Thigo, Kenya's special envoy on technology, argues that to attract AI investments to their countries, "leaders need to be fluent around AI." There is still a knowledge gap that must be bridged, he contends.

"The first mistake is that people [in African governments] think AI is an ICT [information and communications technology] issue. It is not. It is a whole-of-government issue.

"A lot of African countries negotiating on this issue went from an ICT perspective, which focused only on the applications… then you forget there is an infrastructure piece, an energy bit, a talent and skilling bit. There are also the geopolitical issues and the resourcing and finance bits," he tells *African Business* on the sidelines of GITEX.

"The second issue is understanding where you are in the AI value chain, because not everyone can have data centres. People want data centres, then realise [they] don't have the energy, don't have the water for cooling… You need to understand where you are and where your advantage is," he notes.

Thigo says that Kenya is training civil servants to better understand AI and its applications, arguing that this should be standard practice for any government keen on attracting investments in AI. "In terms of public sector training and skilling, there is a centre of excellence at the Kenya School of Government. They have already trained 7000 civil servants over the past year. We did this in partnership with the UNDP [UN Development Programme] and are looking to scale it."

Below: crowds and product demonstrations at GITEX Global.

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Safeguarding African sovereignty

Thigo says that global partners like Microsoft, Oracle and G42, among others, are helping Kenya build out its AI infrastructure. However, while global partnerships remain essential to overcoming resource constraints, he insists that Africa must simultaneously invest in its own AI infrastructure to avoid long-term dependency.

"The biggest risk for me is if we don't build it ourselves… how do we get countries in the continent to be builders and not just users of AI? It's dangerous when someone else determines how you consume knowledge, how you produce knowledge, and how your knowledge is perceived," he says.

Thigo contends that public-private partnerships (PPPs) could help Africa overcome financial constraints in its quest to build its own AI infrastructure. "We want to get the African private sector to step up. It is going to be very important that Africa does not build AI on loans, because if someone takes your data centres as collateral your sovereignty is gone. Data centres we have to do on our own."

Averting the risk of an 'AI divide'

AI adoption in many advanced economies is growing at a blistering pace, creating the risk of an "AI divide" that leaves poorer economies on the continent in a perennial game of catch up. "AI has gone from something people played with to something people build with," Altman said, announcing that ChatGPT, OpenAI's chatbot, had surpassed 800m active weekly users in October.

"We are still fairly early in that journey, and we will see people doing really remarkable things in the coming one or two years. The best thing we can do to ensure we do not have an AI divide is to make AI available and cheap, to teach people how to use it, to have every country embrace it," he noted.

Grand ambition is equally critical for success, Xiao argued. Countries that want to lead on AI must dare to dream big. "As we talk about the future success of AI, the greatest failure today will be the failure of ambition. We have to think bigger, with a new paradigm. This is not just another evolutionary step. It requires a mindset shift." ■

Venture capital flows have rebounded after a disappointing 2024, but investors ask the tough questions before committing, **Lennox Yieke** *finds.*

African startups face tougher scrutiny as investors seek returns

Samuel Ogbonyomi, CEO and co-founder of PipeOps, is upbeat about the prospect of striking up new funding conversations with potential investors when he speaks to *African Business* at the Nigerian startup's exhibition booth at Expand North Star in Dubai – a side event to Gulf Information Technology Exhibition (GITEX) Global designed to link startups to investors.

Founded in 2021, PipeOps is an AI-powered platform that "automates complex cloud workflows for businesses and software developers so they can quickly transition to the cloud without any core cloud expertise in-house," Ogbonyomi explains. He adds that it has validated its product and acquired customers with pre-seed backing from several angel investors, and is now preparing to seek further funding. "We will be looking to open a seed round towards the end of the year or early 2026. We want to partner with investors and institutions who actually understand what we are building," he tells *African Business*.

It's a well-timed move in view of the continued rebound in venture capital flows in Africa's startup ecosystem. After a sharp downturn in 2024 – when African startups raised $2.8bn across 750 deals, down from $3.9bn across 930 deals in 2023 – investment activity is showing signs of recovery.

According to the Q2 2025 Venture Capital Report from the African Private Capital Association (AVCA), the first half of 2025 saw 239 deals, an 11% year-on-year increase. Seed-stage activity during the period

surged, with seed funding climbing 40% to $171m across 82 reported early-stage transactions.

Investors return to basics

While investor sentiment is improving, African startups face tougher scrutiny in the current funding environment, Ogbonyomi notes. "After what happened in the past two years, investors are now gradually coming back. However, a lot of them have fallen back to the basics, which is, 'if you want me to invest, what are your numbers like?' The fundamentals are starting to matter a lot more than the story you tell investors."

"In some ways it is unfortunate for the businesses that are just getting started. However, for us, who have already started and gotten to the point where we're making revenue, what we just need to do is optimise for more revenue," he says.

'Investors are now coming back, but if you want me to invest, what are your numbers like? The fundamentals are starting to matter a lot more than the story you tell investors'

Kola Aina, founding partner at Ventures Platform, a $46m venture capital firm focused on early-stage startups, concurs with this assessment. "I would describe 2025 as a year of cautious recovery; one marked by more disciplined capital deployment and a return to fundamentals. Investors are now placing a premium on strong unit economics, capital efficiency, and clear paths to profitability," he tells *African Business.*

"The 'growth at all costs' era is behind us. What we're seeing instead is the emergence of more durable business models and investors who are increasingly long-term in orientation," he continues.

"The reset of the past year has been healthy for the ecosystem, and I believe it's paving the way for more meaningful exits and stronger companies in the decade ahead," he adds. Since its launch in 2016, Ventures Platform has backed more than 90 African startups across diverse sectors, with at least one portfolio company in every region of Africa, Aina notes. He says that, given the improving sentiment, the fund is "doubling down on early-stage companies solving fundamental problems".

Cleantech and AI drawing investor interest

Fintech continues to command the lion's share of startup funding in Africa, accounting for roughly 30% of all deals and 59% of total capital raised in 2024. The continent's top-funded ventures – spanning mobile payments, buy-now-pay-later (BNPL) platforms, and digital banking and lending solutions aimed at the unbanked – reflect this dominance. However, data from AVCA and TechCabal Insight shows that a shift is underway. Startups in cleantech and AI are securing a greater share of funding deals in 2025 relative to fintech.

"Fintech has been the backbone of Africa's digital transformation, but what we're seeing now is a healthy diversification of innovation. The rise of cleantech and AI reflects both necessity and opportunity – necessity because Africa faces urgent climate and productivity challenges, and opportunity because these technologies have reached a point where they can deliver scalable, locally relevant solutions," Aina says.

"Over the next few years, I expect to see cleantech emerge as a critical driver of inclusive growth – from distributed energy solutions to climate-smart agriculture and sustainable mobility. In parallel, AI will increasingly underpin efficiency across sectors, powering financial inclusion, health diagnostics, logistics, and even governance," he continues. The real value, he insists, will come from startups applying AI and cleantech within distinctly African contexts, solving problems others might overlook.

Another major shift in Africa's startup ecosystem, Aina observes, is the increasingly prominent role played by African investors. He notes that more African general partners, family offices, and institutional players are stepping up to fill gaps left by retreating international capital.

"This local capital base brings not just funding but also contextual understanding, and that's essential for market-creating innovation to thrive. We're also seeing governments and DFIs [development finance institutions] playing a more catalytic role in de-risking investments and supporting innovation-friendly regulation," he says.

Delivering returns and impact

Aina notes that, with the entry of DFIs into African venture capital, founders now have a dual mandate to deliver both returns and impact. The two are not mutually exclusive, he asserts. "Founders need to see impact and profit as two sides of the same coin. When impact is embedded in the core of the business, it becomes a growth engine rather than a constraint," he says.

"The most successful founders don't see impact and profit as competing priorities, they design their products, operations, and growth strategy so that solving real problems drives both outcomes."

DFIs not only bring capital, but a different set of expectations, which is reshaping which startups and sectors get funded. "We're seeing a stronger emphasis on business models that demonstrate both commercial viability and measurable impact. Companies that can scale responsibly, generate jobs, improve financial inclusion, or advance climate solutions are increasingly prioritised."

For venture capitalists, the important lesson from these shifts is that supporting startups goes beyond providing capital, Aina contends. "Hands-on guidance, connecting founders to networks, and helping them navigate operational, regulatory, and market challenges is often what separates success from stagnation."

So how can African startups stand out in the current environment and secure the capital needed to scale up? Aina believes that "for entrepreneurs, the takeaway is to focus on sustainable business models, unit economics, and resilience while addressing critical market gaps."

Ogbonyomi, on his part, argues that beyond technical know-how and commercial acumen, African founders must cultivate soft skills such as resilience and patience. These are just as crucial for success. "Founders often imagine that their idea will quickly make them billionaires, but there are many difficult moments along the way. It's never always up. There are many down days too, and you must be mentally prepared for that." ■

Opposite: GITEX Dubai 2025, Samuel Ogbonyomi, CEO and co-founder of PipeOps (far right) talks with attendees at GITEX Dubai 2025.

Nigeria losing ground in VC funding race

In four years Nigeria has slid from first place for VC fundraising in Africa to fourth place, with an overreliance on foreign investors, fears over profit repatriation and a lack of viable exits all weighing on sentiment, finds **Harry Clynch** *in Lagos.*

Nigeria, previously the centre of venture capital (VC) funding in Africa, is falling behind the continent's other major markets when it comes to attracting investment, in a trend that one analyst says "reflects structural and long-term challenges in Nigeria's venture capital ecosystem". In 2021, Africa's record year for venture capital with 681 fundraising rounds totalling $5.2bn, Nigeria ranked first for both deal volume and the overall amount of cash raised. That year, Nigerian startups secured around $1.8bn in funding, over a third of the continent's total and more than the continent's three other major markets – Kenya, South Africa, and Egypt – combined. However, this status appears to be slipping. As of August 2025, more than 500 African startups had raised about $2.8bn. However, Nigeria accounted for just $186m of that. By contrast, Kenya has managed $879m, South Africa has secured $848m, while Egyptian companies have collectively raised $561m. For the first time in several years, Nigeria is firmly last among the so-called "big four" African markets.

Too reliant on foreign investment

What explains this sharp downturn in fortune? Speaking to *African Business* in Lagos, Noah Banjo, a tech and venture capital analyst, says a reliance on foreign investors is limiting Nigerian startups' ability to raise funds. "The primary reason Nigeria is falling behind other major markets in venture capital funding is that Nigerian firms participate in, but rarely lead, big funding rounds, which leaves startups dependent on foreign investors for significant growth-stage funding," Banjo says.

This reliance on foreign venture capital funds is especially problematic because Nigeria has experienced several major macroeconomic challenges in recent years and these have deterred foreign investors from assuming too much exposure to the Nigerian market. In particular, since President Bola Tinubu committed to liberalising foreign exchange markets and freely floated the Nigerian naira in June 2023, the currency has depreciated by almost 70% against the US dollar.

For the majority of startups, earning their revenue in local currency, this makes it extremely difficult to offer dollar returns to international investors. Even some of the country's fastest-growing companies with increasing naira-denominated revenue can struggle in dollar terms.

For example, Pawel Swiatek, chief operating officer at Nigerian fintech unicorn Moniepoint, told *African Business* in April that the massive depreciation of the naira had significantly dented its US dollar profits. "While the naira has now thankfully stabilised, one of the challenges we always contend with is exchange rate risk," he said. He added that Moniepoint was seeking to expand outside of the West African country partly "to diversify and have macroeconomic and forex exposure to other countries and not just Nigeria".

In addition to currency depreciation, associated issues such as stubbornly high inflation – the year-on-year rate is over 20% – further complicate the business landscape and make the market more challenging for foreign investors.

Profit repatriation fears

The Private Equity and Venture Capital Association of Nigeria (PEVCA) has also pointed out that foreign investors are often apprehensive about committing to the Nigerian market, concerned that they will struggle to repatriate their profits as a result of capital controls.

These concerns have been reinforced by high-profile disputes, such as that between Nigeria and the

United Arab Emirates over the inability of Emirates and Etihad airlines to repatriate funds. While the row was ultimately resolved, the dispute saw Emirates suspend all flights to and from Nigeria for around a year from August 2022, citing slow progress on its efforts to repatriate around $85m of profits.

Banjo notes that Nigeria's drop in venture capital funding is partly driven by "economic challenges such as inflation, currency devaluation and high borrowing costs" and adds that "this reflects structural and longer-term challenges in Nigeria's venture capital ecosystem, influenced by macroeconomic factors."

Rotimi Ogunyemi, a Lagos-based technology attorney and partner at BOC Legal, similarly notes that "persistent currency volatility, high inflation and still-unstable economic policies make it difficult for investors, especially international ones, to price risk with confidence."

Regulatory issues persist

Ogunyemi also points out that Nigeria's regulatory landscape can prove challenging for foreign venture capital funds: "over the past few years, sudden policy shifts in foreign exchange management, taxes and regulations have created real uncertainty – and investors have responded by becoming more cautious."

"The narrative that Nigeria is 'risky' has grown partly because, historically, the rules have kept changing mid-game. Other African markets have their own challenges, but they have been better at providing clear forward guidance and sticking to it," he adds. "Kenya, for example, communicates regulatory changes more systematically, giving startups and investors time to adjust," Ogunyemi tells *African Business*; "Nigeria can do the same, without losing its dynamism, by introducing more transparent consultation periods, clearer roadmaps and predictable regulatory timelines."

No way out?

Another issue which analysts say is hampering Nigeria's venture capital ecosystem is the lack of exit options for investors. To varying degrees, this is a problem across the continent.

Sadaharu Saiki, general partner at Sunny Side Ventures in Cairo, has previously told *African Business* that a lack of initial public offering (IPO) activity and limited numbers of mergers and acquisitions or secondary transactions makes it difficult for investors to exit their positions and cash in their profits. "It is clear we need more liquidity options to boost the attractiveness of African markets for investors," he said.

Ogunyemi believes, however, that this issue is particularly acute in Nigeria, arguing that the country "has not yet built the kind of domestic capital pools and exit channels, such as local IPOs or secondary markets, that give later-stage investors the confidence they will get returns".

"South Africa's more developed capital markets, for example, give investors confidence about eventual exits," he says. "Nigeria can replicate some of this by creating, for instance, a dedicated tech growth board on the Nigerian Exchange, with lighter listing requirements and incentives for research coverage and market making."

Time to encourage local investment

What could be done to reverse these trends? Beyond stabilising the macroeconomic environment – bringing the naira to a more stable level and getting inflation under control – both Banjo and Ogunyemi believe that reducing Nigeria's reliance on foreign investors is essential. Banjo says that "increasing the capital and leadership role of Nigerian venture capitalists in funding rounds is crucial to reducing reliance on foreign investors."

Ogunyemi adds that this could be achieved by encouraging "local growth funds backed by pension, insurance and diaspora capital, so startups are not wholly dependent on foreign venture capital cycles."

Despite the challenges, there are reasons to be optimistic. One is that the government has claimed that Nigeria is past the worst of its economic instability, having taken its "bitter medicine". In a recent speech in Abuja, Tinubu said that "the economy is stabilised… the bleeding has stopped, haemorrhage is gone; the patient is alive." The naira has recovered about 15% of its value since the 2023 devaluation, perhaps suggesting that more stable macro conditions could be ahead.

Banjo also notes that the Nigerian venture capital space is changing in response to the challenges it has faced. "Emerging funding forms like venture debt and increased involvement from development finance institutions indicate potential for recovery and evolution in the ecosystem," he says.

"Despite a decline in deal value, Nigeria still leads Africa in venture capital deal volume, suggesting there is plenty of room for sustainable growth ahead." ■

Online apps are helping younger Nigerians to trade and boosting retail investor involvement in the stock market, reports **Dulue Mbachu***.*

Nigerian fintechs lure Gen Z retail investors to financial markets

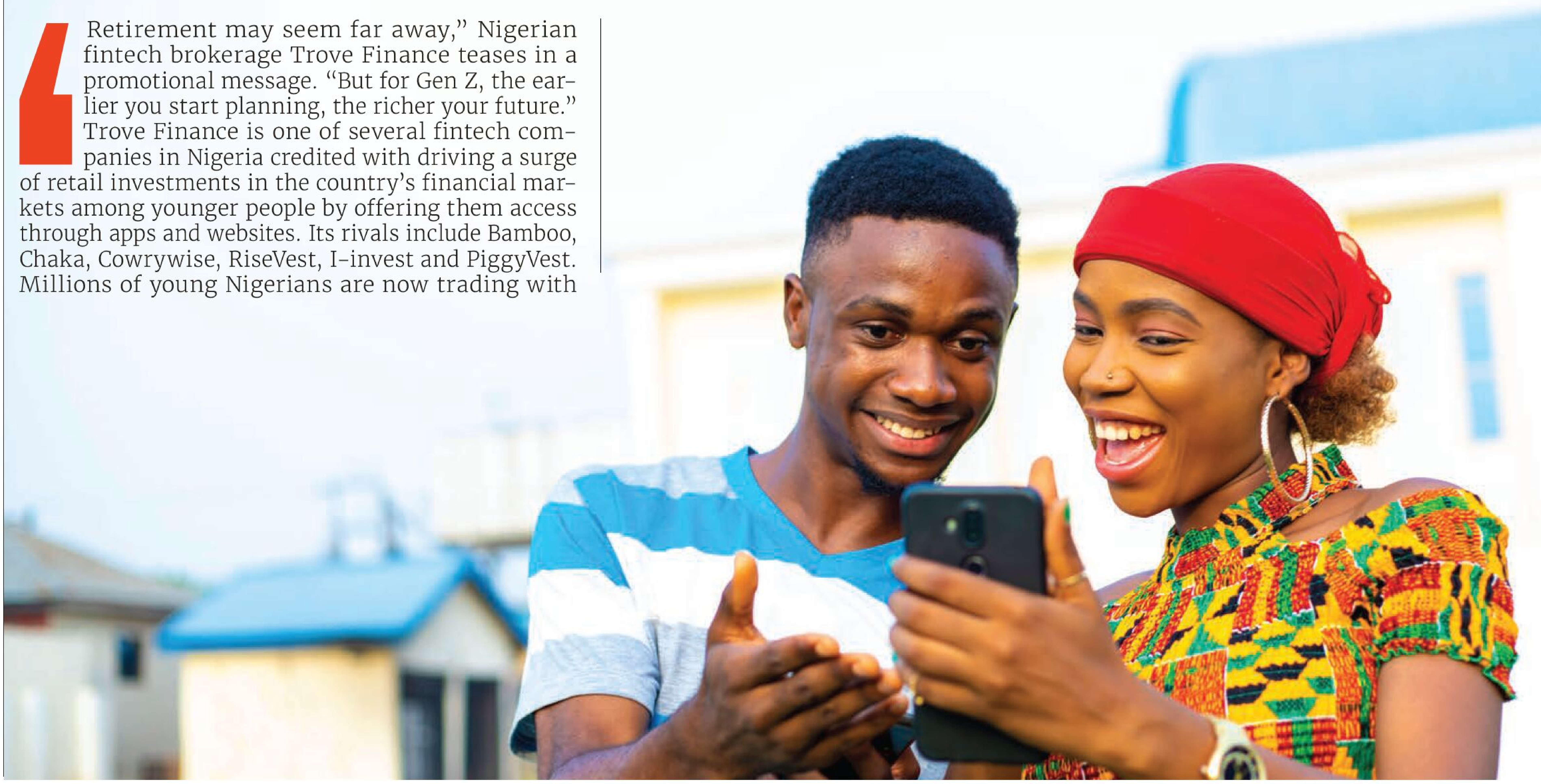
"Retirement may seem far away," Nigerian fintech brokerage Trove Finance teases in a promotional message. "But for Gen Z, the earlier you start planning, the richer your future." Trove Finance is one of several fintech companies in Nigeria credited with driving a surge of retail investments in the country's financial markets among younger people by offering them access through apps and websites. Its rivals include Bamboo, Chaka, Cowrywise, RiseVest, I-invest and PiggyVest. Millions of young Nigerians are now trading with those apps on their mobile devices – and the impact is being felt. For instance, retail trading on the stock market jumped 88% month-on-month in July to 516.5bn naira ($351m), nearly a third of the 1.8 trillion naira worth of total trade recorded that month on the Nigerian Exchange. Though institutional investors such as pension funds still dominate the market, there has been a steady growth of retail buyers in recent years, with trading apps playing a recognised role in bringing in younger investors.

Where the fintechs have made a difference is in lowering the barriers of entry. While traditional investment accounts would need between 100,000 naira and 500,000 naira to run, fintechs are offering market access for as little as 1,000 naira. This was helped by a proactive review of the investment regulations in the Investment and Securities Act that went into effect earlier this year, replacing the 2007 law and providing regulatory clarity for online and digital assets.

'Youthful, dynamic and decentralised'

"The Nigerian digital economy is youthful, dynamic and increasingly decentralised," Emomotimi Agama, the director general of the Securities and Exchange Commission (SEC) said at a recent event. With about 74% of Nigeria's population less than 24 years old, it is crucial to "digitise our processes and engage them through technology they understand, like apps and digital platforms," he said.

The best-known apps and digital platforms now



providing financial market access are still in their first decade, but have made inroads with younger people. Among them is PiggyVest, which currently has more than 4m subscribers who can invest in fixed-income instruments, equities and real estate and make money market placements.

Cowrywise started with a focus on mutual funds and money-market investments. Following the new Investment and Securities Act, it opened stock trading access to its more than 800,000 users in March and more than 12,000 signed up in one week.

Trove Finance offers its subscribers the opportunity to buy fractions not only of Nigerian stocks but also international stocks, exchange-traded funds (ETFs) and real estate investment trusts (REITs). Its main rival is Bamboo Finance, which also offers Nigerian and international stocks in fractions. RiseVest focuses more on dollar-denominated assets such as US stocks and bonds. I-Invest is another digital investment focused more on fixed-income securities including treasury bills, bonds, commercial papers and fixed deposits.

Out of 151,749 brokerage accounts registered with the Central Securities Clearing System (CSCS) – responsible for securities settlements – between January and June, 70% or 105,442 were by digital-based brokers such as Cowrywise, Bamboo, Trove and Chaka, with 30% traditional stockbrokers.

Fractionalisation of securities and the aggregation of investable capital are strategies that have enabled the fintechs to thrive

Fractionalisation of securities and the aggregation of investable capital are strategies that have enabled the fintechs to thrive in a terrain previously dominated by banks and traditional stock brokers. Nigerian banks with international links such as Standard Chartered, Citibank and Stanbic IBTC already offer clients access to invest in international stocks and bonds through bank apps but require bigger fund outlays. With fractional ownership, fintechs are starting with contributions of as little as $10. That way they're able to put the smallest amounts of capital to work while helping to expand financial inclusion.

Hedge against inflation and devaluation

For many Nigerians, the big attraction is the opportunity to make foreign currency investments that provide a hedge against inflation and the devaluation of the naira. Two major devaluations in 2016 and 2023, which wiped out the savings of many citizens, were moments that prompted a general search for safe havens.

"That was when I decided to diversify," says Tekena Gbalafuma, a 29-year-old electronic engineer who lost most of the money he saved for postgraduate school in the US. "I started investing in cryptos and then signed up with an app to invest in international stocks and bonds three years ago."

Gbalafuma now has a diversified portfolio made up of US stocks and bonds, Chinese stocks, ETFs that track major emerging market indexes as well as Nigerian stocks, government bonds and commercial paper (debt). While the foreign holdings provided his portfolio with much-needed balance, Gbalafuma is glad he missed out neither on the Nigerian stock rally of the past two years nor on the high-yields regime in the fixed-income market that was triggered by record interest rates set by the monetary authorities as they battled inflation.

The Nigerian Exchange All-Share Index rose 37.7% in 2024 and was up 38.7% in the nine months to September 2025 largely driven by domestic investors. The record interest rate maintained by the Central Bank saw treasury bill rates above 24% at one point and commercial paper exceeding 30%.

Regulators show flexibility

The regulatory authorities have shown flexibility in adapting to the new technologies and innovations now transforming Nigeria's financial market. The SEC, for instance, set up the "FinPort", a portal for engaging both upcoming and existing fintech companies on the regulatory aspects of their projects. The investment and securities regulator has outlined its approach to include monitoring emerging financial innovations, building requisite assessment capacity and developing adaptive regulatory responses where necessary. A major regulatory consideration is safety; it also says it welcomes "tools and platforms that broaden participation, increase liquidity and deepen the capital market's reach".

Similarly, the CSCS has transformed its systems to accommodate digital innovations by fintechs, creating a "custodian portal" to enable market participants to keep transparent and accurate user records of investments. "Digital transformation remains at the core of our strategy to enhance the efficiency, transparency and accessibility of Nigeria's capital market services," says Haruna Jalo-Waziri, the chief executive officer of CSCS. "We will continue to evolve the platform in line with users' needs and industry trends."

Venture capitalists back model

The fintech startups are finding funding support from venture capitalists impressed by Nigeria's record of unicorns in the payments and financial services sphere (*see page 64*). The success of the likes of Flutterwave, now valued at more than $2bn; Paystack, bought for $200m by Stripe; and Interswitch, which has a valuation exceeding $1bn, have encouraged expectations of more success in other financial sector niches.

Bamboo, which started operations in 2020, initially raised $2.4m to roll out. It raised $15m in a subsequent round with US firms Greycroft and Tiger Global participating among others.

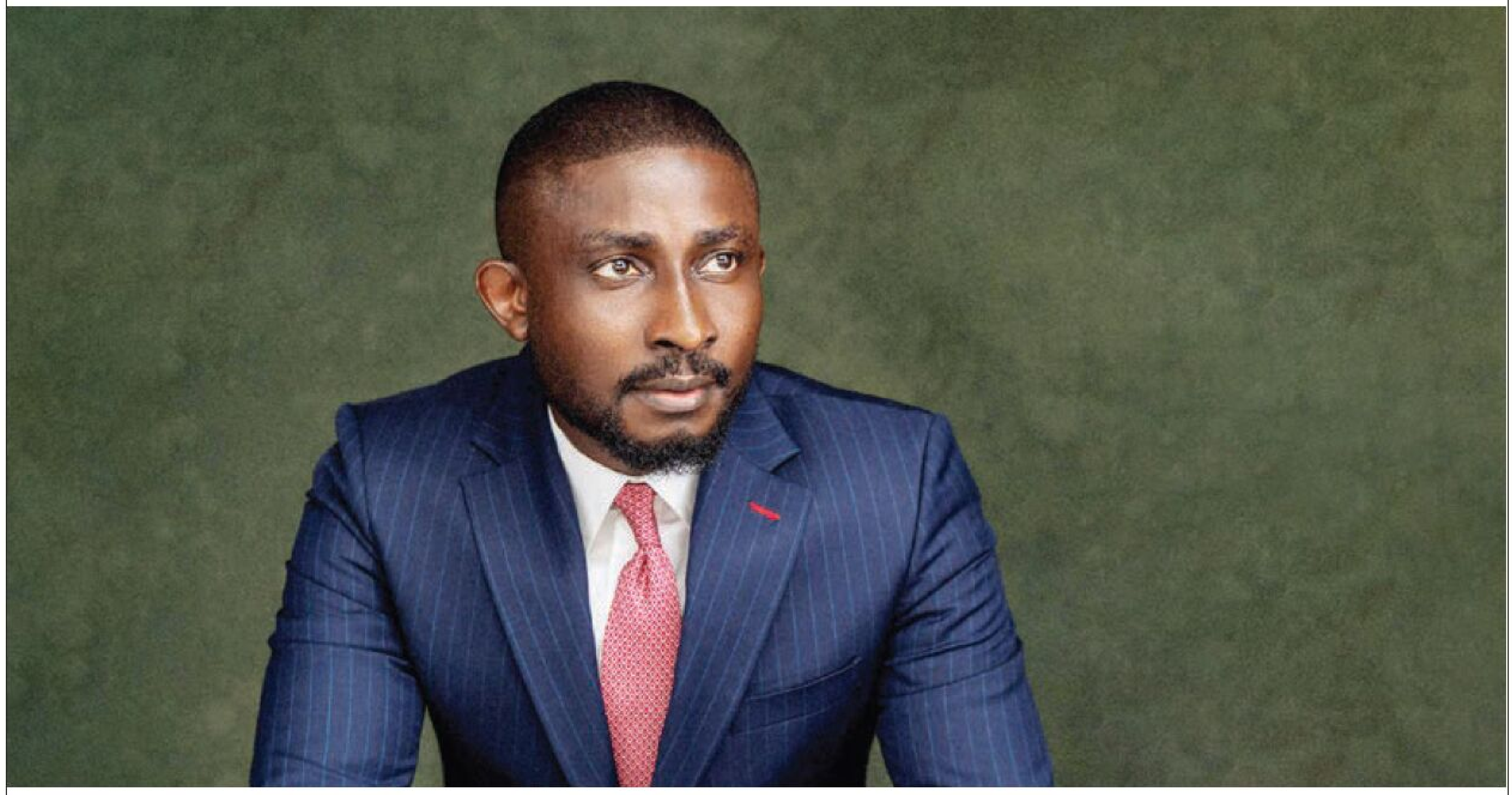
Founded in 2017, Cowrywise has received funding from Quona Capital, a US venture capital firm focused on fintechs, Kairoos Ventures, Catalyst Fund and the Y Combinator startup accelerator programme. PiggyVest has received funding from the Nigerian investment vehicle VFD Group as well as payments company Flutterwave. Trove's main backer has been Lagos-based asset management company Asset Resource Management, from whose initial incubator programme it emerged. It has also attracted funding from several other investors.

As their apps and services continue to diffuse and win market acceptance, some, such as Chaka and Bamboo, have begun cross-border expansion to extend their services to other African countries. To quote one of Bamboo's slogans: "We are helping Africans build actual wealth." ■

Interview: Seyi Ebenezer, founder of Payaza

After a successful career in Nigerian banking, Seyi Ebenezer has turned his focus to the country's highly competitive payments market, he tells **Chris Bishop**.

Standing out in Nigeria's cut-throat fintech market



Seyi Ebenezer cut his teeth in the financial world of Lagos, under the wing of the late banking legend Herbert Wigwe. He worked in senior roles at Keystone Bank and Access Bank in Nigeria, facilitating capital and debt deals of more than $450m. An accountant by trade, he turned fintech entrepreneur in 2021 with Lagos-based online payment gateway company Payaza, which aims to simplify international payments. Payaza now employs 210 people and operates in 17 countries in Africa and in the UAE, Canada, the United Kingdom and the United States.

African Business: ***What is Payaza doing differently to compete in a very busy payments space?***

Seyi Ebenezer: We've always believed that payments should meet people where they are. That means giving every merchant, no matter their size or market, the ability to collect money in the way that makes sense for their customers. For some, that's cards.

For others, it's bank transfers. In some markets, mobile money or even open banking are more natural. We don't force a one-size-fits-all approach, we adapt to each jurisdiction and let the merchant choose what works best for their business.

Beyond that, we're also building with the long game in mind. Strong governance is a big part of how we operate. In fintech, it's tempting to chase speed at all costs, but we're focused on building an institution that can stand the test of time. That means adopting sound governance practices now, not later. We are amongst the very few fintechs in Africa being audited by one of the Big 4. It's very intentional.

We also see ourselves as more than just a payments partner. For many merchants, especially small and medium enterprises (SMEs), the digital economy is still new. We want to help them take those first steps online. Whether it's creating an online store, setting up ticketing for an event, or giving them the tools to reach a wider audience. Payments are just the entry point; our goal is to help them grow.

How will the payments market in Africa evolve?

Open banking is definitely going to shape the future – it'll unlock more innovation and better services for consumers. E-commerce penetration will continue to grow as more people come online, and mobile money will keep expanding, especially in Francophone Africa where it already plays such a huge role.

In Nigeria, bank transfers are deeply embedded in how people move money, and I don't see that changing anytime soon. What we'll see instead is more layers of innovation on top; that is, better user experiences, and more trust in digital transactions. There are still, sadly, lots of trust issues especially with the rise of AI. But with many innovations already in the pipeline, customers would get a lot more comfortable.

How is technology likely to play a role in this evolution?

Technology is the bridge that will connect all the moving parts. But it won't happen in isolation – it's going to take collaboration. Telcos will keep pushing mobile money deeper into everyday life. Banks will continue modernising their infrastructure. Payment gateways like us will build the rails that make all of it work seamlessly. And then you'll see innovation around key areas like settlements, reconciliation and fraud prevention – those are the invisible but critical parts of making the ecosystem work.

The best technology in payments is often the one the customer never notices, when money just moves quickly, reliably and without friction. That's what we're building towards.

What is the regulatory picture in the sector?

Regulation is tightening, and that's not a bad thing. Payments now touch almost every part of the economy, and if something goes wrong, the ripple effects can be massive; for businesses, for consumers, even for governments. So, it's natural that regulators want to keep a closer watch. ■

> ***'The best technology in payments is often the one the customer never notices, when money just moves quickly, reliably and without friction'***

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Development agencies are increasingly looking to back private enterprises with potential for returns as aid flows dry up, reports **Harry Clynch**.

France's Proparco looks to ramp up African startup investments

Above: Moniepoint customers.

Right: Proparco's CEO Françoise Lombard.

Proparco, a subsidiary of the French government's development agency, is directly investing in African startups in order to support innovation on the continent and secure returns for the agency, in a move that reflects an increasingly commercial outlook as official development assistance wanes.

Direct and indirect support

Speaking at Africa Day 2025, held at Sciences Po university in Paris, Proparco's CEO Françoise Lombard said: "Proparco has committed very strong support to the African innovation system – we have supported the majority of pan-African venture capital funds, such as TLCom and Partech, but also more regional funds. Proparco has also supported around 40 startups directly."

Proparco's direct investments in African startups range from pre-Series A funding up to Series D, with investments starting from €1m ($1.16m). Startups must demonstrate at least €400,000 in annual revenues and the ability to expand outside their domestic market.

Proparco has previously invested in major African firms such as Nigerian fintech unicorn Moniepoint. Lombard notes that the firm is particularly interested in investing in companies in the fintech, healthtech, agritech and cleantech industries.

Aid cuts change development focus

Lombard noted that cuts in foreign aid are changing the way development agencies are operating. "Official development assistance is decreasing and, now, people do not want to talk about assistance anymore – they want to talk about investments," she said.

The OECD projects a 9% to 17% drop in official development assistance in 2025, compounding a 9% drop in 2024. Four of the major Western providers of development funding – France, Germany, the United Kingdom and the United States – all cut funding last year and are set to do so again in 2025.

When it comes to supporting the private sector, development agencies have traditionally been focused on activities such as helping commercial banks to mobilise capital by providing guarantees and technical assistance. Lombard suggested that this approach is now evolving as a result of cuts in development funding – which in France have been driven by sluggish growth and an increasingly serious debt crisis.

But while development agencies may be less reluctant to talk about commercial returns than in the past, Lombard said Proparco's support and financing for private sector players in Africa remains focused on three strategic pillars: "protecting the planet, reducing inequalities and sustaining more resilient growth".

The priority, she said, would be to invest in firms that "are impact-orientated and further the sustainable development goals". ■

How can young Ugandans play a greater role in the country’s evolving energy landscape? **Kwame Ofori Appiah** reports from a forum organised by TotalEnergies in partnership with the Society of Petroleum Engineers.

Ugandan youth rallies for a stake in the country’s energy future

With over 75% of its population under the age of 30, Uganda’s young people are crucial factors in the country’s economic trajectory. Recognising the need to harness this potential, TotalEnergies, in partnership with the Society of Petroleum Engineers, convened a youth engagement forum to discuss how young Ugandans can play a greater role in the country’s evolving energy landscape. The second in the series, this year’s “Youth in Energy” conference, held under the theme “Awareness to Action: Youth Shaping Uganda’s Energy Transition,” brought together over 300 students, academia and industry stakeholders to exchange insights on skills development, innovation and participation in the oil, gas and renewable energy sectors, and close to 500 people connected live.

In her keynote address Marième-Sav Sow, Vice President for engagement and advocacy at TotalEnergies EP Africa, challenged young Africans to claim their place at the decision-making tables where the continent’s energy future will be shaped, stressing that those who will live with the consequences of today’s choices must also be part of designing them. “We cannot let the future be designed by those who won’t live in it,” she said, urging youth to bring their creativity, courage and ideas into enterprise, policy and innovation for a just energy transition.

Sow argued that Africa’s pathway to carbon neutrality must be guided by fairness and in cognisance of the continent’s particular circumstances. While the continent contributes least to global emissions, it faces the harshest impacts of climate change. She called this a “generational opportunity to redefine development,” insisting that Africa has the sovereign right to use its natural resources responsibly to power schools, hospitals and industries while pursuing renewable solutions. She said that Uganda’s youth are not just stakeholders but “chief architects” of the continent’s sustainable energy future.

Sow argued that Africa’s pathway to carbon neutrality must be guided by fairness... While the continent contributes least to global emissions, it faces the harshest impacts of climate change

TotalEnergies
Youth in Energy Conferer
2025

Pioneers of progress

Underscoring TotalEnergies’ role as a partner in this transition, Sow pointed to initiatives such as the Tilenga training academy, which has equipped hundreds of young Ugandans with internationally recognised technical skills and investments in solar photovoltaics, hydropower, liquefied petroleum gas (LPG) and e-mobility. She praised young Ugandans for the contributions they are already making, calling them “pioneers” of progress and urged young women in particular to master their craft, seek mentors and lead with confidence.

Speaking during a panel discussion, Esther Ninsiima, a geologist at the Petroleum Authority of Uganda, highlighted government efforts to prepare young Ugandans to participate in the country’s oil and gas industry ahead of first oil in 2026. “As a government, we are looking at how to empower the youth now to move beyond the first oil into the production phase and later on,” she said.

Clean energy with realism

Speaking on the country’s energy future, Peter Muliisa, Chief Legal and Corporate Affairs Officer at the Uganda National Oil Company, explained that while the global shift to clean energy is inevitable, it must be approached with realism and planning. “If you flipped the energy mix today from 83% petroleum, civilisation as we know it would collapse,” he said, cautioning that the transition to renewables requires time, coordination and technological advancement. Muliisa called on youth to engage meaningfully with the process, “to contribute to it, or to challenge it,” as Uganda defines its own energy transition pathway in alignment with global climate goals.

Muliisa outlined Uganda’s rationale for developing its petroleum resources despite international scrutiny, stressing that the country’s approach is rooted in economic necessity and energy justice. “Uganda is economically poor and energy poor, and we must address those

Youth i
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ence

Below: Zion Okama, Head Of Renewable Energies Initiatives, TotalEnergies EP Uganda; Esther Ninsiima, Geologist, Petroleum Authority of Uganda; Marième-Sav Sow, Vice President for Engagement and Advocacy at TotalEnergies EP Africa; Justina Erastus, Convener, Youth Oil and Gas Summit (Namibia); Peter Muliisa, Chief Legal and Corporate Affairs Officer, Uganda National Oil Company; and Anita Kayongo, Corporate Affairs Manager, TotalEnergies EP Uganda.

two points of poverty with every resource available to us," he said.

He stressed that Uganda's oil development is being done "responsibly," guided by policies and laws that minimise emissions and ensure environmental integrity. According to him, Uganda's crude oil projects rank among the lowest in the world in carbon intensity, with only 13.3 kg of carbon dioxide emitted per barrel produced, the second-lowest globally. "We are showing the world that you can develop your resources to develop your people, but do it in a manner that is responsible," he said.

Muliisa also detailed efforts to further reduce emissions through tree planting, liquefied petroleum gas (LPG) promotion and clean cooking programmes to reduce deforestation. He praised young Ugandans for their role in defending the country's right to responsibly develop its resources amid global criticism. "There was a lot of misinformation," he recalled, "but we must continue to equip the youth with knowledge so they address these issues from a point of understanding."

Zion Okama, head of renewable energies initiatives at TotalEnergies EP Uganda, urged the youth to take a proactive interest in understanding Uganda's energy transition plan, noting that awareness of such policy frameworks can help them identify where to position themselves for future opportunities. "Some of this information may not be well known, but the youth also need to be inquisitive for knowledge," he said.

He cited the Bujagali hydropower plant, in which TotalEnergies now holds a 28% stake, as a model of local participation in renewable energy operations.

The facility, which produces 250 MW of clean power, has been run almost entirely by Ugandans for the past 15 years. "These Ugandans were trained locally and have built their expertise in-country," Okama noted, calling this a clear demonstration that "there are real jobs in renewables in Uganda."

Okama announced that TotalEnergies is developing 40 MW of solar projects, set to begin construction next year, creating jobs for youth in various technical trades.

Encouraging young people to prepare for such roles, he pointed to the solar technician certification programme at Makerere University as an example of the kind of training that would give them an advantage.

"Yes, there are opportunities for the youth in employment and career development," he said, "but you must make sure you are ready when these opportunities materialise."

Collaboration is key to advancing youth participation

Justina Erastus, Convener of the Youth Oil and Gas Summit in Namibia, said collaboration is key to advancing youth participation and capacity building in the energy sector. Drawing parallels between Namibia and Uganda, she noted that the two countries share similar energy journeys and demographic profiles and therefore have much to learn from each other.

Strategic partnerships

"What Uganda has successfully been good at, Namibia can learn from," she said, calling for strategic partnerships between universities, national oil companies and youth-led organisations. She underlined that such collaborations promote skills transfer, mentorship and investment, ultimately strengthening local expertise and aligning both countries with global best practices.

Erastus encouraged the youth to innovate, excel and persevere. "The best way to get into the room is to knock on the door and not wait for the opportunity to come to you," she said, urging young people to identify problems in their communities and solve them creatively.

Speaking during a second panel discussion, Sandra Kirenga, partnership and programme coordinator at the Private Sector Foundation Uganda, argued that Uganda's energy transition is not merely an environmental imperative but a means to economic transformation, industrialisation and climate resilience.

Active players

Gideon Kibirige, Chairperson of the Society of Petroleum Engineers (Uganda), pointed to the winners of TotalEnergies' recent hackathon, young engineers and geologists who developed smart grid and IoT-based energy monitoring solutions for electric vehicle charging.

"Your friends are doing solar microgrids; they're creating IoT [internet of things] systems," he said. "You can also create your own space; you don't have to wait for someone to give you the microphone."

He also emphasised the power of networking and engagement, urging students to attend conferences, join professional clubs and contribute to policy discussions. "You have a voice," he said. "When there is public participation, speak."

Michael Musinguzi, Lead Generation Specialist at Q-Sourcing Servtec Group, reminded the audience that the energy sector does not require only engineers. "There are roles in procurement, administration, logistics and hospitality." He pointed to how oil and gas projects have catalysed growth in other sectors, from sports facilities and hotels to construction and energy management.

From the floor: concerns included access to jobs

Responding to the speakers, the young people raised issues such as the mismatch between academic learning and employability, particularly the demand for years of experience even for entry-level roles. They called for earlier exposure to internships and practical training within degree programmes to bridge this gap.

Several questioners also addressed challenges around innovation, including limited access to equipment and the slow pace at which student innovations reach the market.

Others highlighted the need for intellectual property protection and equal opportunities for students from non-engineering backgrounds to contribute to the oil and gas sector.

Broader concerns were also expressed on environmental and human rights implications of energy projects, the sustainability of solar infrastructure and the growing need for cybersecurity skills.

Ensuring the next generation is properly prepared

Ultimately, the success of the event's mantra, "Awareness to Action" underscored a powerful truth: Uganda's energy transition must be driven from within.

Young participants showed they are not only aware of the stakes but ready to act. Their message was clear – this transition won't be imported; it will be built in Uganda, by Ugandans.

But awareness alone isn't enough. The youth called for concrete steps to bridge the gap between academic training and industry expectations.

They highlighted the urgent need for internships and stronger collaboration between universities, companies, and government to ensure they're equipped to lead in both oil and renewable energy sectors.

This is not just a question of energy sources, it's about empowering the next generation to shape the future, not watch from the sidelines. ■

‘There was a lot of misinformation, but we must continue to equip the youth with knowledge so they address these issues from a point of understanding’

Opposite : Peter Muliisa taking a question from the floor (below).

A three-day strike at Nigeria's most important refinery threatened energy prices before the government stepped in to help end the costly dispute, writes **Dulue Mbachu**.

Nigeria's powerful oil unions challenge Dangote Refinery

When one of Nigeria's powerful oil unions took on the Dangote Refinery in a labour dispute in the last week of September, it was a fight between two giants – and the country felt the impact. Oil output fell, supply chains were disrupted and the economy faced paralysis before the government brokered a truce.

The immediate spark for the dispute was the laying off of about 800 employees of the $20bn Dangote Refinery, the 650,000 barrels per day facility reputed to be the world's largest single-train refinery. The ostensible spark for the dispute was a reorganisation that the company said was aimed at curbing sabotage. But the Petroleum and Natural Gas Senior Staff Association of Nigeria (Pengassan), representing white-collar workers, said the refinery management had prohibited unions at the plant and fired workers who were attempting to unionise. The union responded by calling a nationwide strike of its members that started on 28 September.

While the strike lasted Nigeria saw a 16% drop in oil output, amounting to about 283,000 barrels per day, as loadings were delayed at the oil-export terminals

The right to join a union

"Under Nigerian law and international best practice, employees have the right to join a trade union of their choice," said Elvis Asia, a Lagos-based lawyer and chartered arbitrator. "Victimising employees on that basis is not permissible."

Members of the Dangote Refinery branch of Pengassan said in a statement that there was an urgent need to unionise in the face of perceived discrimination against them when compared with terms offered to expatriates from India and Pakistan. They allege that on 25 September the refinery management sent employees a questionnaire asking them to indicate their membership in Pengassan. Those who affirmed their membership were said by the union to have been subsequently terminated.

Management denounces 'terrorists'

The Dangote Refinery said its operations were unaffected by the strike but had fighting words for Pengassan. "The oligarchs in Pengassan have proved themselves to be terrorists and turned the association into a bully organisation," said the refinery management.

Pengassan president Felix Osifo declared that Nigeria "is bigger than Pengassan, the way it is bigger than Dangote and the presidency". He insisted that the union will always stand up for its legitimate rights.

"We have been around for 50 years – before the Dangote Refinery came on stream," Osifo said. "Should this same event occur again tomorrow, our approach will be exactly the same."

While the strike lasted Nigeria saw a 16% drop in oil output, amounting to about 283,000 barrels per day, as loadings were delayed at the oil-export terminals. A cut in gas supplies to power stations of about 1.7bn standard cubic feet per day reduced power generation by a fifth. The state-owned Nigerian National Petroleum Company (NNPC) reported that missed trades during those three days resulted in "significant revenue losses". There were also disruptions to domestic fuel supply, with long lines forming at petrol stations, and a sudden uptick in prices for other goods as the economy priced in the fuel cost increase.

Union demands met

The price of the strike was too big to pay for President Bola Tinubu's administration. Following mediation overseen by the government, the Dangote Refinery management agreed to reinstate the workers or transfer them to other companies within the conglomerate without loss of pay. The workers' right to membership of unions was also recognised by the Dangote Group. In other words, it was a victory for Pengassan, which then called off the strike after three days.

Beyond threatening government revenue in the short term, the strike also revealed systemic vulnerabilities with wider ramifications for the economy. With the failure to revive state-owned refineries, the Dangote Refinery is now the backbone of Nigeria's domestic refining capacity, and when it sneezes the whole economy catches a cold.

For downstream distribution, disruption quickly translates into supply bottlenecks that influence prices. The sharp jump in cooking gas prices due to the strike brought the message home for many Nigerian families.

The cost of energy has severe implications for virtually all of Nigeria's production and distribution of goods and services, which makes disruptions po-

litically sensitive. At a time when Tinubu is hoping to reap the benefits of his tough economic measures, including ending subsidies and floating the exchange rate, the refinery labour dispute was viewed as a major threat.

After the deal, government ministers reaffirmed their support for the Dangote Group. At an economic summit in Abuja on 6 October vice president Kashim Shettima accused the oil union of holding the country to ransom over a minor dispute. "Aliko Dangote is not an individual, he's an institution and he's a leading light in Nigeria's economy permanently," said Shettima. "How we treat this gentleman will determine how outsiders will judge us."

His position was backed by budget and planning minister Abubakar Bagudu, who said at the same event that the refinery is "systemically too important" and should be "supported at all costs".

More labour challenges on horizon

Pengassan is one of two oil industry unions that have had to contend with both the government and international energy companies in the past decades over workers' rights in Africa's top oil-producing country. The other is the blue-collar National Union of Petroleum and Natural Gas Workers (Nupeng). Both unions have in the past shown a readiness to confront the government and the oil majors.

Tension is mounting between Dangote Refinery and Nupeng over the company's decision in September to deploy 4,000 trucks powered by compressed natural gas (CNG) for fuel distribution. This would bypass a system largely operated by Nupeng members, raising union fears of job losses. A strike threat by the union in September was averted only by the intervention of state security officials who worried about the wider impact of such a strike.

The Dangote Group insists that the CNG fleet is meant to improve product supply efficiency. It says it will create more than 24,000 jobs for drivers, mechanics and others. It later announced that it plans to deploy 10,000 distribution trucks.

In an October 15 memorandum to the House of Representatives Committee on Petroleum, Nupeng said that democracy can't exist without the protection of workers' rights. "Let it not be forgotten that Nupeng and Pengassan played a historic role in restoring Nigeria's democracy," Afolabi Olawale, the general secretary of the union, told lawmakers. "That same democratic spirit must now protect the rights of workers who keep the nation's energy sector alive."

Strikes show dangers of monopoly

For Nigeria, the disputes reveal the risks of a near monopoly controlling the supply of one product. While the Dangote Refinery has the capacity to meet Nigeria's domestic demand, estimated at 50m litres daily, Dangote currently supplies 20m litres daily, according to the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA).

Though more than 25 refineries are licensed in Nigeria, only about six are currently operational: the Dangote Refinery and five with capacities of between 5,000 and 10,000 barrels per day. A 200,000 barrels per day refinery is being built by Nigeria's BUA Group in Akwa Ibom state.

"As a country, Nigeria is in urgent need of a diversified investment approach in our energy mix, to further drive an expansion in the economy beyond the traditional focus on fossil fuels," says Farouk Ahmed, chief executive officer of the NMDPRA. "As we invest in that infrastructure, we must also ensure we diversify our energy sources and reduce dependency on any single fuel." ■

Below: Storage tanks at the Dangote Petroleum Refinery in the Free Zone Area of Ibeju-Lekki, 70 km from central Lagos.

New cobalt quotas – meant to reclaim sovereignty – could fuel a shadow economy of corruption and rent-seeking, writes **Shoshana Kedem***.*

Fears that DR Congo's cobalt quotas could deepen corruption

On the cracked ribbon of tarmac that snakes from the open pits of the Copperbelt to the Democratic Republic of Congo (DRC) frontier with Zambia, trucks groan under bulk bags of cobalt hydroxide, a key ingredient in the lithium-ion batteries that power the world's smartphones and electric vehicles (EVs). Inching past weighbridges and police posts, the trucks navigate and negotiate their way through a series of checkpoints. Some are official – uniformed, armed – others merely opportunistic.

Into this messy reality, the DRC government in Kinshasa has launched a policy experiment of unusual ambition. After eight months of a surprise export ban, the government in October pivoted to the introduction of export quotas for cobalt.

The idea is simple: throttle volumes to push prices up, channel more value into the country, and compel miners to invest locally. The risk, say analysts and industry insiders interviewed by *African Business*, is equally clear: quotas layered atop a fragmented enforcement system could multiply the very leakages the government aims to plug. The blanket export ban was introduced earlier this year, after a market glut sent prices tumbling to about $10 a pound – but despite a limited price recovery to $15, a ban on exports was seen by many as merely a short-term fix.

Much cobalt is a byproduct of the mining of copper – the lifeblood of the country's southern provinces. During the ban, copper output continued. "You can't produce copper without producing cobalt," says Jacques M'Kenna, a researcher on mineral govern-

ance for Congolese think-tank Ebuteli. “The ban was never sustainable. You can’t halt a whole sector indefinitely. Everyone expected something new – and this is it.”

Under the new quota regime, companies must pre-pay taxes before shipment and show environmental-compliance certificates. The regulator – Autorité de Régulation et de Contrôle des Marchés des Substances Minérales Stratégiques (ARECOMS) – decides tonnage quotas and can revise them monthly.

For miners, the rules have bred confusion. “A company may be told it can export 10,000 tonnes this month and have no idea about next month,” says Jean-Pierre Okenda, a governance expert at the Sentinel of Natural Resources. “That unpredictability invites negotiation – and in Congo, negotiation often means corruption.”

Rent-seekers poised to take cut

In theory, higher prices from quotas should raise state revenues. In practice, the biggest winners could be the gatekeepers. Along the route from Kolwezi through Lualaba to the Zambian border, informal checkpoints proliferate. Police, soldiers, tax agents and the so-called *services techniques* – state inspection units – all extract their cut. “That’s exactly where losses occur,” says M’Kenna. “Every stop becomes a tollgate for rent-seekers.”

“Depend too much on an agency’s discretion and you create power without checks,” warns Okenda. “That’s how political interference creeps in.”

Above: Congolese workers with bags of cobalt and copper ore at a processing plant.

Opposite: Trucks prepare to leave a copper and cobalt mine in the DRC.

Large industrial miners can navigate the red tape. Artisanal miners cannot. “The most lucrative ASM [artisanal and small-scale mining] sites are controlled by political actors,” says M’Kenna. “Ordinary miners hardly benefit.”

By restricting legal export channels, the quotas risk pushing small-scale miners further into illegality. “I’m almost sure smuggling will rise,” Okenda says. “Some intermediaries are already based in Zambia waiting to buy.”

Each procedural layer adds a new toll. Pre-payment receipts can be “lost” and environmental certificates can be expedited for a fee. Export volumes can be revised upward after “consultation”.

Okenda singles out the murky “strategic quota”. Besides baseline allocations, ARECOMS also receives a separate quota for “strategic purposes”. “No one knows how it’s calculated or who receives it,” he says. “Without transparency it risks becoming a private reserve for political networks.”

Congo’s 2018 mining code includes transparency clauses aligned with standards set by the Extractive Industries Transparency Initiative (EITI). “We have one of the most progressive mining codes in Africa,” says Okenda. “But it’s not applied. Beneficial ownership data is hidden; procurement is opaque. That’s why buyers don’t trust the supply chain.”

A fragile value-addition vision

Officials justify quotas as a step toward local value addition. The state-owned Entreprise Générale du Cobalt (EGC) – mandated to purchase artisanal cobalt – has floated refinery plans with Chinese partners, but none are currently operating. “There’s no downstream company in Congo that can process cobalt today,” Okenda says. “Maybe projects exist on paper, but we haven’t seen them.”

Cobalt hydroxide still ships to China, which refines around 70% of global supply. “EV manufacturers don’t buy from Congo directly,” M’Kenna explains. “They buy refined cobalt from China or Finland. Their leverage here is minimal.”

The political economy of enforcement

Both experts trace the failures of the cobalt value chain to political will. Soldiers still police mine sites; intelligence officers still man checkpoints. “If the president wanted to remove them, he could,” says M’Kenna. “That he hasn’t tells you everything.” When President Félix Tshisekedi took office in 2019, he vowed to “clean up” the mining sector, promising to root out the corruption and opaque deals that flourished under his predecessor, Joseph Kabila. His administration pledged tighter oversight, audits of joint ventures, and a crackdown on illegal mining. Yet six years on, the system remains largely unchanged.

“There’s a gap between what’s promised in Kinshasa and what’s happening in Kolwezi,” says M’Kenna. “Tshisekedi’s reforms never reached the checkpoints, the cooperatives, or the commanders who profit from the trade.” Artisanal miners work through “cooperatives” that are often controlled by political elites – sometimes seizing up to half of miners’ earnings.

For Okenda, reform begins with openness. “We need an impersonal regulation grounded in law, not discretion,” he argues. That means public criteria for quota allocations, publication of company lists, and independent audits.

Until that happens, the cobalt trade remains governed by what M’Kenna calls the ‘deep state of minerals’ – the tangle of officials, soldiers and intermediaries who turn regulation into rent. “The system works for them,” he says. “That’s why it doesn’t change.”

The road ahead

International buyers have limited sway. Battery makers buy from refiners, not directly from the DRC. Still, pressure for ethical sourcing is mounting. “If Congo uses quotas to clean up, the world will pay a bit more and accept it,” says M’Kenna. “If it uses quotas to monetise discretion, buyers will look elsewhere.”

Indonesia, ramping up nickel and cobalt output, looms as a competitor. Over-regulating exports could price Congo out of the green-energy supply chain it helped build.

M’Kenna and Okenda agree the quota system could succeed – if it becomes transparent. That would require real-time publication of allocations and exports, reform of checkpoints, and audits linking payments to revenue.

Otherwise, a policy meant to strengthen sovereignty may only entrench corruption. “The danger,” warns Okenda, “is that quotas become another rent to distribute, not a reform to implement.” ■

Stablecoins are increasingly popular in Africa but the continent lags other regions when it comes to clear regulatory frameworks for this type of cryptocurrency, writes **Lennox Yieke***.*

Regulators urged to move faster as stablecoins gain ground in Africa

Stablecoins have emerged as a dominant force in global payments, with reports of their total transfer value reaching $27.6 trillion in 2024 – eclipsing the combined annual transaction volume of Visa and Mastercard, two of the world's most prominent payment networks. They are a type of cryptocurrency that is pegged to a specific reserve asset. Most are pegged to the US dollar, since it is the world's reserve currency; some are linked to other traditional "fiat" currencies. The two largest stablecoins currently available on the crypto market are Tether (USDT) and USD Coin (USDC), both of which claim to be backed 1:1 by US dollars or US Treasury securities.

Unlike volatile cryptocurrencies such as Bitcoin, stablecoins are designed to maintain a constant value that is linked to the underlying reserve asset. Proponents say this makes them ideal for payments, savings and remittances.

Adoption picks up in Africa

Stablecoins have gained considerable traction in African markets, where currency depreciation, dollar shortages, inflation and limited access to banking services have pushed many to consider using cryptocurrencies for cross-border transactions and personal savings.

"Africa is leading the world in terms of this technology," says Chris Maurice, co-founder and CEO of Yellow Card, a stablecoin payments infrastructure provider specialising in emerging markets. "You have Nigeria in the top three globally; Kenya and South Africa in the top 15; Tanzania, DR Congo and many others in the top 25," he tells *African Business*. Stablecoins accounted for 43% of crypto transaction volume in sub-Saharan Africa in 2024, according to an industry report by Yellow Card. Nigeria, the continent's largest stablecoin market, recorded nearly $22bn in transactions between July 2023 and June 2024.

Maurice argues that stablecoin adoption in Africa is driven by "the most practical" use case. "In Africa you have the most transactions in the world under a thousand dollars. These are people transferring money for real use cases. It's quite an exciting trend that is only going to accelerate," he says.

Yellow Card partners with banks, financial institutions and businesses across Africa to facilitate the use of stablecoins for international payments, treasury management and access to US dollar liquidity.

Banks warming up

Maurice notes that there has been a marked increase in demand for its services from African banks and financial institutions. "We're seeing banks and large financial institutions across the continent start to get into this technology and use it in a way that really makes sense for them," he says. "The ability for African banks to be able to use stablecoins to make payments that don't have to go through New York appeals to many. The value is huge for sovereignty."

Maurice notes that African banks, once wary of cryptocurrencies, are now showing a marked shift in attitude. "The biggest thing you are starting to see now is banks across the continent more interested in things like tokens and stablecoins. You haven't seen a ton of it historically, but you are starting to see these banks move into it aggressively."

"There are several major banks that we are working with on issuing local stablecoins, on using local stablecoins [those backed by local currencies] and on US dollar stablecoins to improve payment rails, and improving the system overall for those countries," he says, without naming the banks.

Regulation must catch up

Maurice laments that Africa lags other regions globally in a crucial area: regulation. Many African countries stiW ll lack a clear regulatory framework for the digital assets industry. This, he argues, makes it harder for investors to make informed decisions, limiting innovation, new investment and job creation in the industry. "You have regulations in the US, Europe and many parts of the world, so the continent is starting to fall behind from a regulatory standpoint. African countries opening up the regulation to really promote stablecoins in a way that encourages innovation is key," he says.

"Innovation obviously is always going to be ahead of regulation, which is reactive by nature. However, at this point there has been enough time for regulators and everybody to see the benefits that this technology offers," he adds.

Maurice suggests that central banks should lead the charge by taking advantage of "regulatory sandboxing" to gain a clearer understanding of the technology. Regulatory sandboxing is a framework that allows companies – especially in fintech and emerging tech – to test innovative products, services, or business models in a controlled environment under the supervision of a regulator.

Sanjeev Gupta, a senior fellow emeritus at the Center for Global Development, warns that, without robust regulation, rapid stablecoin adoption could weaken fiscal stability in African countries. "Without robust regulatory frameworks and strengthened tax administration, stablecoins could narrow the tax base and undermine fiscal and development goals," he notes. "Over 30% of income in developing countries comes from the underground economy, where taxes are routinely evaded. The growing use of cryptocurrencies risks further expanding this unreported sector, compounding revenue mobilisation challenges."

Gupta contends that, to mitigate these risks policymakers will need to establish strict regulatory frameworks for cryptocurrencies and stablecoins, including mandatory exchange registration, tax reporting for cryptocurrency transactions and targeted capital controls. Because fiat-backed stablecoins like USDT and USDC are issued by private entities, there are also growing concerns that their increased use could undermine central banks' control over their countries' money supply.

Protecting value against foul play

Indeed, the collapse of TerraUSD (UST) in 2022 wiped out more than $40bn in market value. It later emerged that TerraUSD was not backed by fiat currency or tangible assets, but instead relied on algorithmic market incentives to maintain its peg – raising doubts about the credibility of stablecoin issuers and their claims of asset-backed stability. In August Do Kwon, the South Korean behind Terra USD and Luna, pled guilty to two US charges of conspiracy to defraud and wire fraud.

According to a paper published in 2023 by the Reserve Bank of South Africa, limited regulatory influence over stablecoin issuers – whether domiciled domestically or abroad – may result in spillovers from the crypto ecosystem to the traditional financial system. The risks are particularly grave if regulators are unable to impose prudential requirements on stablecoin issuers to guarantee that stablecoin can be redeemed at face value in traditional cash even during a run on it, when holders withdraw en masse.

"As demonstrated through the collapse of TerraUSD, a key risk is the actual materialisation of a run on a stablecoin issuer (whether it is a bank or non-bank) which, given the interconnectedness between the traditional financial and stablecoin systems, could destabilise the existing financial system," the central bank notes.

In the wake of the TerraUSD collapse, regulators across major jurisdictions tightened disclosure requirements for stablecoin issuers, mandating greater transparency to help users make informed decisions. In markets such as the UK and Hong Kong, issuers are now required to provide daily updates on the volume of stablecoins in circulation and the composition of reserves backing them. Independent audits of reserve assets – and the public release of audit findings – are increasingly viewed as standard practice. African regulators need to move faster in this direction, Maurice argues.

"This is a technology in which Africa is in the first-mover zone. There is a unique opportunity that the continent did not have with things like the internet. That is why it is so important for regulators to make a move here," says Maurice. ■

Yellow Card

New mechanisms for rainforest conservation will dominate the agenda at the UN climate conference in Belém, alongside familiar arguments over climate finance, writes **Ben Payton**.

Welcome to the jungle: Africa prepares for COP30 in the Amazon

This year's COP, scheduled for 10 to 21 November, will look different to previous summits. The last few COPs have been held in glitzy destinations including Dubai and Sharm El Sheikh, Egypt. Brazil has decided to bring the event to the city of Belém on the edge of the Amazon rainforest. The host country hopes its choice of venue will highlight the need to conserve rainforests in the fight against climate change.

This issue is of great importance to Africa. If the Amazon is one of the world's "green lungs", the other is the Congo Basin rainforest on the other side of the Atlantic. The Congo rainforest is actually even more important as a carbon sink than the Amazon – it removes more carbon from the atmosphere than any other terrestrial ecosystem.

As Brazil looks to gather allies for its rainforest conservation proposals, it has been eager to reinforce ties with Africa. In an address to the Africa Climate Summit in Addis Ababa last month, COP30 president André Corrêa do Lago told delegates that: "I am sure that all the things that unite Brazil and the African continent will be very clear at COP30."

Fighting for forests

Worldwide, tropical forests are being lost at a rate equivalent to 18 soccer pitches per minute. DR Congo and Congo-Brazzaville both saw record levels of forest loss last year.

Phillip Kihumuro, forest restoration and carbon absorption manager at the World Wildlife Fund (WWF) Uganda, tells *African Business* that the loss of the Amazon and Congo Basin rainforests would have "catastrophic" consequences for climate, food security, local livelihoods and biodiversity. "We need to move ambition into real action."

He says that one of the main challenges currently is that financing for forest conservation is "very minimal" – far short of the $500m per year he says is needed. "We need to develop and promote innovative financing mechanisms for us to find an opportunity."

Kihumuro welcomes Brazil's initiative in launching the Tropical Forests Forever Facility (TFFF) which aims to incentivise countries to conserve tropical forests. It will use a blended finance structure, in which both sovereign and private capital is invested into a fund that generates returns from a diversified portfolio. A portion of the returns would then be allocated to reward countries that conserve forestry.

Countries could receive $4 for each hectare of preserved forest, providing they keep deforestation rates below 0.5% per year and that the deforestation rate is falling when they join the TFFF. Based on these criteria, the non-profit Plant-for-the-Planet initiative estimates that Angola, the Central African Republic, Ethiopia, Somalia and South Africa would be eligible to receive payments. Several other African countries could join this group if they can reduce deforestation.

Brazil has set a lofty goal of raising $125bn for the TFFF, which would generate $4bn annually for forest conservation. In September the Brazilian government announced it would invest $1bn in the fund as it seeks to "lead by example" in encouraging contributions.

With the TFFF to be officially launched in Belém, a major priority for the COP30 hosts will be to encourage other governments and institutional investors to commit to the fund.

Above: Brazil's President Luiz Inácio Lula da Silva talks with the governor of Brazil's Para state, Helder Barbalho, at the Amazon Summit in Belém.

Opposite: Belém, known as the gateway to Brazil's Amazon region.

Can Africa make its voice heard?

While holding COP in Belém will shine a light on forest conservation, bringing the summit to a relatively small and remote location has its downsides. Brazilian president Luiz Inácio Lula da Silva has spent recent months begging his counterparts to jet in for the summit. In a visit to Nigeria in August, the veteran leader called for "broad African participation," noting that COP provides an opportunity to highlight the climate pressures facing the continent.

The cost of transport and accommodation is, however, a barrier to participation for delegates from the Global South. As many as 80,000 people have attended recent COPs, but limited space in Belém means hotel costs have rocketed. The UN offers a daily subsistence rate for officials from 144 developing countries – the rate was raised from $149 to $197 in September, though this is still insufficient to cover the cost of accommodation close to summit venues. Richard Muyungi, chair of the African Group of Negotiators, demanded in July that Brazil find "better answers" to allow African delegates to attend. Several African NGOs have stated that they will have to downscale their presence; the Africa Just Transition Network, for example, plans to send four representatives to Belém, compared to more than 15 at recent COPs.

Measure of success

Ultimately, of course, the success of COP30 will be measured by its concrete outcomes rather than the quality of its hospitality. For Africa, alongside rainforest conservation, the key issue will once again be climate finance. The previous COP in Baku reached an unpopular compromise on providing support to lower-income countries for adapting to climate change, with a goal to provide $300bn a year by 2035. A vague mention of "scaling up" financing to meet the $1.3 trillion a year that developing nation governments say is needed was also inserted into the text.

At COP30, African negotiators "should push for a renewed and more ambitious commitment to scale up adaptation finance," says David Abudho, climate justice lead at Oxfam in Africa. He argues that climate finance needs to come in the form of grants, pointing to recent Oxfam research that found interest on climate finance loans means African countries end up paying $7 back for every $5 they receive.

Abudho also says that Africa should push for climate finance funds to become more easily accessible. He warns that "current rigid requirements for developing of bankable projects under climate funds" stand in the way of funding reaching those most in need.

Ahead of COP30, African governments used last month's back-to-back 13th Conference on Climate Change and Development in Africa and the Africa Climate Summit in Addis Ababa to align on key priorities for COP30. Claver Gatete, the executive secretary of the UN Economic Commission for Africa, said Africa would demand "urgent, predictable and scaled-up international support" at COP30.

Reality check

With the United States no longer showing any interest in climate finance, and many European countries slashing their aid budgets, the grant-based or highly concessional funding that African countries are looking for is in shorter supply than ever.

Abudho admits that it is "hard to tell" whether COP30 will be a success. "Multilateralism has been shaken, and gains secured over the years have been eroded following the decision of the US to pull out of the Paris Agreement," he says.

"The 'drill baby drill' call from the biggest historical emitter [the US], and the abandonment of climate commitments of wealthy nations does not bode well for a positive Belém outcome."

While major progress on climate finance seems unlikely, other mechanisms to support Africa in its just transition agenda will be high up the agenda at COP30.

Indeed, COP30 president do Lago said in Addis Ababa that Brazil would "embrace many of the priorities of Africa". He specifically pledged "a very special focus" on Mission 300 – the initiative, led by the World Bank and African Development Bank, to connect 300m people in Africa to electricity by 2030 – and clean cooking.

Meanwhile, Africa will not have long to wait before it plays host to a COP of its own. The continent is due to hold COP32 in 2027, with Ethiopia and Nigeria in the running to stage the showpiece conference. ■

Europe's carbon border tax is set to affect the competitiveness of many types of African exports to the European Union – is the continent prepared, asks **Ben Payton**.

Africa braces for impact of EU carbon border tax

The cost of importing African goods into the European Union is about to shoot up, with the EU's carbon border tax set to enter its "definitive phase" on 1 January. A 2023 study published by the African Climate Foundation and the Firoz Lalji Institute for Africa at the London School of Economics and Political Science (LSE) looked at six scenarios for the Carbon Border Adjustment Mechanism (CBAM), using two different economic modelling approaches. In one model, the CBAM with carbon priced at €87 ($101) per tonne is forecast to reduce the GDP of no single African country by more than 0.18%. The other model, at the same price, forecasts a reduction in the GDP of the continent by 0.91% – equivalent to a fall of $25bn at 2021 levels of GDP.

The study suggests the aluminium sector is most exposed, followed by electricity and iron and steel exports. The CBAM could cause a fall of up to 13.9% in exports from Africa to the EU of aluminium; of iron and steel by 8.2%; of fertiliser by 3.9% and cement by 3.1%.

An EU official, Vicente Hurtado Roa, visited the African Union's Pan-African Parliament last month to deliver a briefing on preparing for CBAM. But his argument that CBAM would help ensure fairness was met with a storm of objections from African delegates. Kenyan representative Esther Passaris warned the policy could amount to "economic colonialism", while The Gambia's Sawaibou Touray suggested CBAM could amount to a "trade barrier" from a Europe seeking to protect its industries.

So, why is Europe implementing a policy that could damage Africa's export industries?

'CBAM imports are also going to be exposed to that same greater percentage of the nominal price. The upshot is in 2026 the carbon tariff doesn't look very big, but each year it gets bigger'

Aim for a level playing field

Currently, under the EU's Emission Trading System (ETS), EU companies in many sectors are required to purchase carbon permits for their emissions, over a certain threshold. The ETS, which dates back to 2005, is widely viewed as having successfully incentivised EU companies to invest in lowering their carbon footprints. Its flaw, however, is that it puts EU companies that are subject to effective carbon taxes at a competitive disadvantage against imports from overseas, where the cost of production is lower because of the absence of a carbon tax.

CBAM is designed to correct this anomaly and create a level playing field for European and non-European companies. The mechanism has been in a transitional phase since 2023: importers have been required to report quarterly information on their emissions.

From 1 January the actual tax will take effect. Companies that import cement, iron and steel, aluminium, fertilisers, electricity or hydrogen are required to pay the tax, which relies on a complex system of carbon accounting to calculate the level of payment required.

CBAM's effects will be felt unevenly across the continent. Because CBAM taxes are based on the "carbon intensity" of goods, the charge that importers incur will depend greatly on the electricity grid of the country where imported goods are produced.

The cost of importing aluminium from a company in Mozambique that uses grid electricity to power its facilities would rise only slightly under CBAM, since more than 90% of Mozambique's electricity comes from hydropower, a renewable resource. However, if a company imported aluminium that was produced in the same way in South Africa, it would incur a far greater CBAM payment, since South Africa relies on coal to provide more than 70% of its grid electricity.

Renewable energy pays off

Tim Dobermann, research director at the International Growth Centre, notes that CBAM could offer opportunities for Mozambique and other African countries that rely heavily on renewables. "When you look at the peers with whom Mozambique is competing to sell into the EU, it might gain under CBAM because it has relatively cleaner power, and that actually creates an opportunity for countries like Mozambique."

Meanwhile, African countries vary in their dependence on EU markets. Some, particularly in North Africa, are highly reliant on the export trade across the Mediterranean. "The most immediate and quantifiable impact is reduced competitiveness due to the financial cost of purchasing CBAM certificates," says Camellia Mahjoubi, Mediterranean energy specialist at the non-profit Res4Africa Foundation.

"This will act as a direct tax on the carbon content of exports, squeezing profit margins for North African companies and making their products less competitive against both EU producers (who are already under the ETS) and other international competitors with potentially lower carbon intensity."

As countries become relatively more or less competitive as suppliers to the EU market, there is potential for long-term shifts in trade flows. "Carbon

The Egypt Aluminum Company (Egyptalum) works 100 km down the Nile from Luxor.

intensive countries who find that they may be priced out of EU markets will want to look for supplementary export markets," says Michael Lenaghan, associate director at sustainability consultancy Anthesis. But he adds there is a risk of "oversupply" in certain markets as carbon intensive producers seek to find alternative customers.

The United States has no intention of introducing a federal carbon tax in the foreseeable future. However, any possibility that African companies might shift their EU exports there is stifled by the Trump administration's tariff policies. South African goods imported to the United States have been subject to a 30% tariff since August, meaning the country is being hit by near simultaneous trading blows from both sides of the Atlantic.

Ready for impact?

Lenaghan says the added costs stemming from CBAM will have an "immediate effect" on decisions made by European purchasers from January.

What is less clear is how effectively importers have prepared for CBAM. "That really depends on how aware and how proactive they've been in understanding the emissions of their suppliers," says Lenaghan. Some are "flying blind" due to a failure to collect data, meaning it may be some time before supply chains are re-organised to reflect the added costs.

South Africa is the only country in Africa to have introduced a carbon tax, although several others – including Côte d'Ivoire, Kenya, Mauritania, Morocco and Senegal – are considering it

Lenaghan also notes that the level of CBAM taxes in 2026 will be relatively low. The EU currently operates a system of "free allowances", under which some carbon emission permits are given to companies. This system will be phased out over several years, until EU companies are required to pay the full price of carbon under the ETS.

"And as a result, CBAM imports are also going to be exposed to that same greater percentage of the nominal price," Lenaghan says. "The upshot is in 2026 the carbon tariff doesn't look very big, but each year it gets bigger and bigger, and by 2030 it's the full ETS equivalent price."

Going green will help

The obvious way for companies to lower their exposure to CBAM is to invest in green energy. In a speech last year, South African President Cyril Ramaphosa lamented that CBAM "has the potential to cause great damage to developing economies," but nevertheless argued that South Africa needs to accelerate its transition from coal to help mitigate the impacts. "Our emissions-intensive energy system is likely to increasingly undermine our competitiveness in global markets," he said.

Although North African countries were making gradual progress towards renewable energy even before CBAM came onto the agenda, Mahjoubi says the policy has provided a "wake-up call" and "adds a tangible cost to inaction".

She believes industrial decarbonisation is now seen as an "economic necessity" in the region, pointing out that major companies such as Moroccan fertiliser giant OCP Group have made lowering their emissions a strategic priority. OCP says it will supply its industrial facilities with green energy by 2027 and reach carbon neutrality by 2040.

Ultimately, Mahjoubi expects CBAM to be a catalyst in compelling North African economies to shift towards exporting 'green' goods that are produced with renewable energy.

"The future trade relationship will increasingly be defined by embedded carbon as a new currency of value that actively pulls North Africa toward a decarbonised industrial future."

Across Africa, but particularly in the industries most exposed to CBAM, there is a growing trend for companies to invest in renewable energy to help power their operations. Terje Osmundsen, CEO at solar power investor and developer Empower New Energy, reports that "this issue has really come up as an additional motivational factor" as industrial companies consider making investments in solar power.

He notes that while countries such as Morocco and Tunisia are investing in decarbonising their grids, companies are able to move more quickly in reducing their CBAM costs by installing their own solar generation, with batteries acting as back-up power.

Osmundsen adds that although North Africa is most vulnerable to CBAM, companies in other parts of the continent are also alert to the issue. "We also see that even in East Africa and West Africa, there are companies who, although Europe is not yet a very big market for them, are positioning for growth, and they also are maybe a subcontractor to companies who are exporting to Europe and for that purpose, this is important."

Encouraging carbon taxes

One of the most innovative features of CBAM is that it applies a discount based on carbon taxes that an exporter has already paid in the country where it produces goods. This, in practice, creates a huge incentive for countries to establish their own carbon tax systems. Dobermann says the policy gives countries choice: "Do you give the revenue to the EU… or do you just collect that locally by introducing your own carbon tax or equivalent?"

"I think what's actually quite beautiful about the CBAM policy is that it creates this incentive to export carbon pricing, and that makes it quite a remarkable policy tool," he says.

According to a World Bank report published in June, 80 carbon pricing mechanisms are in operation globally. South Africa is the only country in Africa to have introduced a carbon tax, although several others – including Côte d'Ivoire, Kenya, Mauritania, Morocco and Senegal – are considering similar policies.

In some countries, including South Africa, local carbon tax regimes allow companies to offset their tax payments by purchasing verified carbon credits. This is not allowed currently under the EU ETS, however, and Brussels has shown no intention of allowing companies to offset CBAM exposure through carbon credit purchases.

"Nothing I've seen suggests an imminent change to that system," says Lenaghan. He adds any changes to CBAM would have to follow changes under the EU ETS, given the EU is looking to create a level playing field between domestic companies and exporters from outside the bloc. ■

Opposite: Moroccan fertiliser giant OCP Group has made lowering emissions a strategic priority.

Efforts to promote LPG as a clean cooking fuel in Africa appear to be gaining momentum. But increasing uptake will depend on subsidies and improved infrastructure, writes **Ben Payton**.

US firms target African liquefied petroleum gas bonanza

In New York in September, a newly formed consortium of US-based energy companies unveiled a $10bn plan to scale-up the use of liquefied petroleum gas – better known as LPG – across 10 countries in Africa. The launch of the Consortium, which plans to invest in import terminals, storage facilities and LPG cylinders, is the latest sign that LPG is gaining traction as a solution to Africa's chronic clean cooking problem. Since taking office earlier this year, Chris Wright, the US energy secretary, has been vocal in supporting the scaling-up of LPG in Africa.

Not coincidentally, the United States is the world's largest gas exporter and American companies are in line to reap considerable rewards if adoption of LPG can increase. The International Energy Agency (IEA) highlights that around 1bn people in Africa still cook using firewood, charcoal or animal waste, often spending hours each day searching for fuels. It estimates that foraging for firewood results in the loss of 1.3m hectares of forest each year. A clean cooking summit that the IEA convened in Paris last year led to $2.2bn in funding commitments. Since then, the IEA says, 40 new clean cooking policies have been introduced around the continent.

Amid these glimpses of progress, it is clear that LPG is playing a key role. The IEA reports that three-quarters of those who gained access to clean cooking in Africa over the past five years did so due to LPG, which is seen by some as a "transitional fuel". While cleaner than some alternatives, LPG is a fossil fuel, and produces higher greenhouse gas emissions than an electric stove that is powered by renewable energy.

TotalEnergies
TotalEner
ATEX

Health impacts

The lack of access to clean cooking in Africa has a dramatic effect on human health. The IEA states that household air pollution contributes to 815,000 premature deaths each year in Africa.

Daniel Pope, professor of global public health and epidemiology at the University of Liverpool, says the death toll mainly stems from cardiovascular and respiratory conditions that result from chronic exposure to the tiny particulate matter known as PM2.5. He explains there is a "very steep increase in risk at quite low levels of exposure" to PM2.5. Women and girls are most at risk in Africa, since they overwhelmingly bear the burden of cooking.

Pope stresses that LPG releases very little PM2.5 compared to burning biomass. "The reduction in risk is huge", he says. "Switching to LPG is a very health-positive thing." Due to the steep increase in health risks once people start doing even a relatively small amount of cooking using unsafe fuels, Pope emphasises the importance of making a complete switch to LPG or other safer methods. One concern, however, is that some of the more commonly-used LPG stoves can be too small to cook large meals. In Kenya, for example, small stoves that use 6 kg cylinders are popular, yet Pope warns that people will often continue to cook larger meals using traditional methods. He is therefore in favour of governments promoting double-burner stoves that use conventional 13 kg cylinders. The continent, he says, needs to make a clean break from unsafe fuels.

> *'People will manage to cope with the new price. They will not return to charcoal, because they know the convenience of LPG'*

Subsidies required

A few countries in Africa stand out for making progress with LPG. Renzo Bee, a former executive at Total who now works as a consultant advising the public and private sector on LPG, highlights Côte d'Ivoire as an example that other African countries should look to learn from. It has seen access to LPG rising from around 50% of the population five years ago, to around 85% today.

Bee says there are several reasons for this success. Firstly, the government accepted the private sector's preference for a model in which gas cylinders remain owned by the marketer, as opposed to individuals owning and refilling their own cylinders. Secondly, the government agreed to subsidise LPG and keep prices stable. "It is obvious that people want to have stability in the price," he says, adding that regulating the price while the market is still developing is "key" to ensuring demand takes-off.

The price of a 6 kg gas bottle has remained capped at CFA 2,000 (around $3.56) for several years. This amounts to an effective subsidy of around 50%, although the exact size of the subsidy depends on fluctuating international prices. The World Bank gave a qualified endorsement of Côte d'Ivoire's subsidy policy in a 2022 report, noting that no country has achieved a universal electrification rate without some form of subsidy, and that the same will apply to clean cooking.

Nevertheless, once LPG use becomes much more widespread, Bee argues that price controls can eventually be lifted. "People will manage to cope with the new price," he says. "They will not return to charcoal, because they know the convenience of using LPG." Subsidies, even if targeted, are difficult for many governments to afford. But James Rockall, CEO of the World Liquid Gas Association, argues that a "stable policy environment" is vital to incentivise investment in LPG infrastructure, given the capital expenditure required.

Opposite: TotalEnergies supplies liquefied petroleum gas to communities without access to the power grid in 17 African countries.

He highlights how Brazil and India have both achieved "quick and massive uptake" of LPG, with nearly 100% access to the fuel, through offering a sound regulatory environment. Both countries have also provided subsidies, he notes, although they have done so using different models. Brazil's subsidies have been targeted at the poorest, whereas India has offered broad subsidies to all LPG users.

Infrastructure improvements required

Rockall notes that affordability is not necessarily always the biggest barrier for LPG in Africa. "The problem is often the lack of supply," he says. Investment in infrastructure is needed to import LPG and distribute it to consumers.

The supply chain for LPG requires port facilities that can handle specialised carriers and offer large, pressurised tanks where the product can be stored. Depending on the size of the market, secondary storage facilities may also be needed near distribution centres. The LPG then needs to be transferred into cylinders at bottling plants. Finally, the cylinders must be distributed to retail outlets where they are bought – and returned – by consumers.

As Africa seeks to emulate these countries in promoting LPG, there are many signs that investment is gathering pace. Several countries, including Kenya and Tanzania, are building large-scale port-side storage facilities. And a number of countries are now adopting the 'cylinder recirculation model'.

This approach "is important because it puts the burden of safety on the cylinder supplier, rather than the consumer," says Peter George, investment director at Spark+, an impact investment firm that finances clean cooking solutions. "From an economic standpoint, you're able to be more efficient. You can produce better margins, also decrease the cost for the consumer with this cylinder recirculation model."

Spark+ recently invested in Henos Energy, an LPG marketing company that has been licensed by the Ghanaian government to supply users with cylinders at retail outlets. Once the consumer has finished a cylinder, they bring the empty bottle back to the outlet, where they can exchange it for a new one.

Not perfect as a climate solution

George says that Spark+ invests in a range of clean cooking solutions, including electric stoves and stoves that burn pellets, as well as LPG.

Even if LPG is not perfect as a climate solution, proponents say it is better than the status quo. In 2023 the Stockholm Environment Institution in 2023 found that switching to LPG across the Global South by 2040 would have an equivalent impact to removing half a billion cars from the world's roads.

And George points out that the key advantage of LPG is that it is "readily scalable" – as shown by the increasing pace of adoption in several African countries. ■

Côte d’Ivoire

Korhogo
Côte d’Ivoire
Bouaké
Yamoussoukro
Abidjan

Continuity expected as Côte d’Ivoire’s Ouattara eases into fourth term

With his main opponents excluded from the election, a fourth term for pro-business President Alassane Ouattara was all but assured, writes **Jessica Moody**.

President Alassane Ouattara’s decision to stand for a fourth term in office and the electoral commission’s exclusion of major opposition candidates means that suspense was rather lacking from Côte d’Ivoire’s presidential election on 25 October.

As one Ivorian entrepreneur in Abidjan, Jean Modeste Tehoua, pointed out prior to the vote, “I cannot see how Ouattara could lose these elections, given the exclusion of the significant opposition candidates.”

Tidjane Thiam, the former Credit Suisse CEO, had been barred from standing for the main opposition party, the PDCI, due to a previous dual nationality issue.

Meanwhile, former President Laurent Gbagbo of the PPA-CI had seen his candidacy rejected on the grounds that he has a historical criminal conviction.

The remaining four approved candidates for the poll – Ahoua Don Mello, Jean Louis Billon, Simone Gbagbo (former wife of Laurent Gbagbo) and Henriette Lagou Adjoua – are all relatively well-known figures but lack the profile of political heavyweights Thiam or Laurent Gbagbo.

The one-horse race nature of the election is largely a positive thing for those benefiting from the status quo.

“Ouattara’s retention of power will reassure economic operators who don’t want the uncertainty of a change of power,” notes Tehoua.

Economy at heart of president’s appeal

President Ouattara has overseen an economic boom that has seen Côte d’Ivoire regularly record annual growth of over 6.4% over the past 10 years. The IMF forecasts growth of 6.4% again this year.

“Over the past 14 years, business-friendly policies, successful Eurobond issuances, rising foreign direct investment and major infrastructure investments have consolidated Cote d’Ivoire’s position as the strongest economy in Francophone West Africa,” says Tiffany Wognaih, senior associate at JS Held, a strategic advisory firm in London.

At a time of great uncertainty across West Africa, a region beset by coups, Ouattara has provided reliable stability. Ouattara’s friendships with Western leaders, particularly French President Emmanuel Macron, stand in stark contrast to the frosty reception they have received in regional countries which have undergone military coups, such as Mali and Burkina Faso.

Ouattara has overseen enormous infrastructure development. Power generation has increased by an average of 6% annually since 2010, while tarmac roads now connect all major urban centres. Poverty has declined, falling from 55% in 2011 to around 37.5% in 2021 according to the most recent World Bank data, though critics claim that high growth rates should have translated into even lower poverty rates.

Efforts to diversify the economy and move away from an over-dependence on cocoa have also accelerated. There have been at least five major mining discoveries, and two major oil and gas finds since 2020.

A fourth term in office promises more of the same, according to Byron Cabrol, senior Africa analyst at Dragonfly, a geopolitical consultancy in London: “This notably includes efforts to boost offshore oil and gas exploration and further regulate the mining industry.”

Pockets of dissent

Still, the managed election process is unlikely to be greeted with unanimous approval.

“A fourth mandate will be contested by one part of the country, and this will revive political and social tensions. This will have inevitable consequences for the business climate in Abidjan,” warns Tehoua.

Protests against the electoral commission and the government itself could take place after the poll.

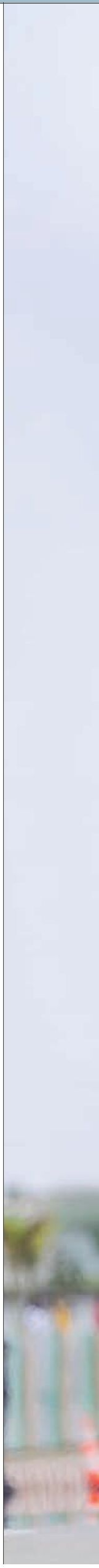
Thiam and Gbagbo have shown in recent months that they are capable of mobilising much larger protests than Côte d’Ivoire has seen for a decade. In August, a joint PDCI/PPA-CI protest amassed thousands of people in Yopougon.

Party leaders told their supporters to remain calm and avoid ethnic slurs, with the risk of intercommunal violence deemed less than in previous contests.

As Wognaih points out: “This time, limited unrest is more likely, taking the form of small-scale demonstrations, especially in urban and southern areas aligned with the PPA-CI or PDCI. These are unlikely to escalate into the widespread violence of previous electoral cycles.”

Cabrol agrees: “We have not seen widespread popular anger on social media or spontaneous mobilisation in response… We do not anticipate there to be particularly large or violent protests.”

According to Wognaih, this comparatively peaceful approach to the polls stems from a kind of social compact at play in



this election. "Many Ivorians are willing to tolerate a fourth term as long as the government continues to deliver growth and opportunity."

Still, Ouattara's legitimacy will be corroded by repeated managed elections – the 2020 presidential election was boycotted by the majority of the opposition and Ouattara won that poll virtually unopposed too.

The president continues to enjoy considerable support, underscored by the Independence Day rally this year, which demonstrated that both the military and a large proportion of the public are still in favour of him. Equally, a 70,000-strong rally in the northern town of Korhogo in 2024 showed his persistent popularity.

Succession challenge looms

But questions have already begun to mount within his own party and the public about why it was necessary to make the election quite so one-sided.

These seeds of internal dispute within the ruling RHDP and among its supporters will be problematic in the longer term, as the government starts to consider a succession plan for Ouattara. The question acquires greater urgency by the day – by 2030, Ouattara will be 88.

"A fourth Ouattara term delays but does not resolve the question of who leads the RHDP after him," says Wognaih.

"Competition over his eventual successor is likely to strain ruling party cohesion, fuel uncertainty and elevate risks to businesses operating in Côte d'Ivoire in the medium to long term." ■

President Alassane Ouattara waves next to army chief of staff General Lassina Doumbia as they arrive at a military parade on 7 August 2025 to mark the 65th anniversary of Ivory Coast's independence.

'Many Ivorians are willing to tolerate a fourth term as long as the government continues to deliver growth and opportunity'

Few surprises for incumbent Hassan in Tanzania's controlled re-election

A tightly controlled election was expected to lead to a continuation of the status quo, reports **Lennox Yieke***.*

Mwanza
Tanzania
Zanzibar
Dar Es Salaam
Mbeya

Tanzania's president Samia Suluhu Hassan was widely expected to win a second term in power when Tanzanians cast their ballots in the country's general elections on 29 October, days after *African Business* went to press.

Hassan – who became the first woman to lead the country in 2021 on the death of predecessor John Magufuli – faced off against 16 other candidates cleared by the country's electoral commission. But observers say the polls were not much of a contest given that Tundu Lissu, chair of Chadema, Tanzania's main opposition party, has been in police custody since April on charges of treason – a capital offence that is not eligible for bail. Lissu was arrested after urging his supporters to boycott the elections unless substantive electoral reforms were implemented.

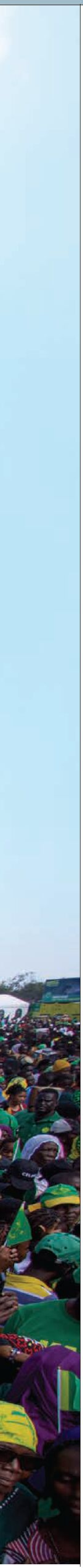
He was bundled into a police vehicle after he finished addressing a public rally in Mbinga in southern Tanzania. A few days later the Chadema party was disqualified from the presidential and parliamentary elections after refusing to sign an electoral code of conduct. The party said that the code did not reflect the reforms that its leader and members had long advocated for.

A procedural coronation

Lissu ran against Magufuli in the 2020 general elections, securing 13% of the vote

WAMATA
yetu 2025-2030
UMOJA WA MAFUNDI MAGARI
TEGETA MAGEREJI
KINONDONI DAR-ES-SALAM
MAGEREJI NI TEGEMEO LA WANAFUNZI WA VETA KWA VITENDO
Dr Samia Suluhu Hassan
MKOA WA DAR ES SALAAM

Supporters of Tanzania's ruling Chama Cha Mapinduzi (CCM) party hold banners at a rally during the party's campaign in Dar es Salaam.



compared to Magufuli's 84.4%. Following his defeat, he rejected the outcome of the election, citing widespread election fraud. Only 50.72% of registered voters participated. The move to exclude Lissu from this year's elections has sparked criticism that democracy is in retreat in Tanzania.

The European Parliament passed a resolution in May condemning Lissu's arrest and described the charges levelled against him as "politically motivated". It urged Tanzanian authorities to "end the escalating crackdown" on members of the opposition, activists, journalists and civil society organisations. Tanzania's authorities criticised it as interference in the country's internal affairs.

Tanzania's ruling CCM party, which Hassan chairs, has been in power since independence, and since the country held its first multiparty elections in 1995 has won every one.

Nicodemus Minde, a researcher at the Institute for Security Studies who focuses on East Africa, argues that voting in Tanzania "has been reduced to a procedural coronation ritual for the ruling party".

He says the ruling party has moved from winning 58% of the vote in 2015, to 84% in the 2020 and 99% in the 2024 local government elections. "Tanzania is sliding into electoral authoritarianism – a system where polls are held, but within a manipulated process where the ruling party retains power through state control, patronage, violence, intimidation and manipulation of electoral systems."

Foreign investors stay put

Despite mounting concerns over Tanzania's democratic trajectory, foreign investor confidence remains strong, with capital inflows reaching record levels in the past year. According to the United Nations Conference on Trade and Development (UNCTAD), Tanzania attracted $1.72bn in foreign direct investment (FDI) in 2024, a 28.3% increase from $1.34bn in 2023. The country recorded inflows of $1.1bn in 2022, $1bn in 2021 and $944m in 2020.

The International Monetary Fund (IMF) expects growth of 6% this year, building on 5.4% in 2024 and 5.1% in 2023.

One reason that investor confidence has held firm is Tanzania's reputation for peace and stability. Since independence the country has never experienced civil war or major internal strife – making it one of the region's more secure and predictable investment destinations.

Tanzania's abundant mineral reserves have also put it on the radar of global investors, with international mining firms lining up to invest in the country's extractives sector. Gold mining in particular has captured investor attention, says Anna Rabin, managing director of Above Ground Advisory, a Dar es Salaam-based consulting firm specialising in the extractive industries.

"In terms of what sectors are driving FDI, obviously mining is one of them. A lot of this is driven by global commodity prices, particularly gold which has done well in recent years," she tells *African Business*.

Surging gold

Gold's price has surged 40% in a year, on top of a 25.5% increase in 2024. Analysts attribute this to a confluence of factors ranging from central bank accumulation, to investor flight to safe-haven assets and the expectation of monetary easing.

Gold's blistering rally has led to an uptick in exploration projects in countries with significant gold deposits such as Tanzania, which relies on the precious metal for a considerable portion of its export earnings. Tanzania earned $3.98bn from gold exports in the 12 months ending July 2025, up 26.3% year on-year. During this period gold accounted for 36.8% of total exports, making it the largest single commodity in the country's export basket.

"There's a $700m investment by an Australian company in a gold project this year. When the mining sector does well and attracts large scale investment, that boosts FDI numbers," Rabin says in reference to the Nyanzaga gold project in the northwest of the country.

Construction on the project, owned by Perth-based Perseus Mining, commenced in August and production is slated for the first quarter of 2027. Over its projected 11-year lifespan the mine is expected to yield 2.01m ounces of gold.

Beyond gold, rising global demand for minerals important to the energy transition is another significant driver of foreign investor interest in Tanzania's extractives sector, Rabin notes.

"The requirements for new materials as part of the energy transition has seen Tanzania become more interesting to exploration companies," she says. "Tanzania is traditionally known for gold, coal, diamond and tanzanite [a semi-precious gemstone].

"However, Tanzania has an abundance of minerals such as graphite, nickel, heavy mineral sands and helium – all necessary to the transition – and this has sparked interest."

Expand economic reforms

To enhance the country's appeal to foreign investors and increase capital inflows even further, Rabin says Tanzanian authorities need to expand economic reforms, citing the need for simplified regulatory frameworks and streamlined fiscal policy.

"A lot of investors have concerns about overregulation and inconsistent regulation. This is both in terms of how regulation is applied and in terms of potential changes in the regulatory environment," she notes.

"That has been a concern over the past decade for foreign and local investors alike, particularly in subsectors of the economy that are capital intensive and require long-term horizons," she adds.

On the fiscal front, she notes that recent changes to tax laws have made it harder for existing investors to reinvest their capital. "There are a couple of things that may deter reinvestment, such as the Finance Act that came out in July. It effectively applied withholding tax on retained earnings, so it's not incentivising reinvestment."

"That is something that could be looked into. If we want to encourage existing investors to reinvest, a withholding tax on retained earnings is counterproductive," she argues.

"Going forward, the focus should be on encouraging investors, both foreign and local, to reinvest in Tanzania – encouraging the people who understand Tanzania and already have a presence here to look for additional or different business opportunities," she contends.

Infrastructure boom

Rabin says that increased investments in infrastructure – from road to rail and power projects – has helped to improve Tanzania's overall competitiveness. Nevertheless, she argues that more must be done to improve the reliability of power supply and bridge the energy access gap.

"There have been improvements to the road networks in recent years. However, power gaps continue to be more of an issue than road networks in Tanzania. Generation has increased since the Julius Nyerere hydropower project [a 2,115 MW Chinese-built plant] coming online, but more still needs to be done in terms of transmission and distribution of power."

According to the World Bank, some development programmes in Tanzania's energy sector, such as expanding access to electricity, have delivered encouraging results. Indeed, the proportion of Tanzanians with access to electricity increased from 7% in 2011 to 48% according to the World Bank in 2023. However, critical gaps remain in other areas.

Tanzanian policymakers, the World Bank says, must intensify efforts to strengthen human capital to improve productivity. They must also promote private sector-led growth and strengthen the country's resilience to external shocks and climate change. ■

Freedom in form: Nigerian Modernism at Tate Modern

Emily Allen *reviews a monumental exhibition highlighting the extraordinary evolution of Nigerian art from the dawn of independence to the modern era.*

With more than 250 works by over 50 artists, Tate Modern's *Nigerian Modernism* exhibition in London explores the dynamic evolution of modern art in Nigeria over 65 years. This enormous showcase could be better described as an experience than an exhibition. Spanning eight rooms, it traces Nigerian history and artistic evolution, starting in the years leading up to the country's independence, through the volatility of civil war and rebirth up to the turn of the 21st century and the dawn of a new era. The story is told not with words but through paint and charcoal, wood and ceramic, with each piece of art a relic of Nigeria's lived history and the long shadow it casts. From the 1920s to the 1990s, the artists' works shift in style and medium, but their pursuit of freedom is a constant and a common thread.

The exhibition begins with a series of pre-independence oil paintings that display features of the European-style art education that its artists received. Aina Onabulu's 1922 *Sisi Nurse* depicts philanthropist and women's rights activist Charlotte Olajumoke Obasa in a style that is reminiscent of Art Deco.

As the decades progress, you see the emergence of vernacular styles – Akinola Lasekan's 1958 *Iya Agba* portrays an elderly Yoruba woman in traditional dress and headwear, a subject which is at odds with the formal, Western portraiture style.

Away from canvases and acrylics, the skill and individuality of early twentieth century Nigerian artists shines through the most in the intricate and beautiful wood carvings, ranging in size from millimetres – Justus D Akeredolu's 1930s *Thorn Carvings* – to metres – Olowe of Ise's 1910-1914 pair of wooden door panels and lintel, which depicts the king of Ikere and his wife receiving a British officer in court.

An entire room is dedicated to the genius of internationally renowned sculptor Ben Enwonwu, with a floor-to-ceiling image of him creating his famous sculpture of Queen Elizabeth II. Enwonwu was the first African modernist to gain international recognition for his paintings and sculptures, and his works showcase a paradox of modernist art forms rooted in Nigeria's cultural past, externalising the cultural struggles he experienced throughout his life. Some

oil paintings on display, such as the 1957 *Fulani Girl* and 1948 *Still Life,* depict symbols of heritage such as weaving and masks in the Cubist style, a marriage of Nigerian tradition and global modernity.

Enwonwu's 1974 work *Tutu*, depicting a young Yoruba woman of royal lineage, is one of three portraits of her produced in the space of a year, and is a joy to behold. One of the three sold for £1.2m ($1.6m) at a London auction in 2018.

Ladi Kiwali, credited with transforming traditional Nigerian pottery, is the first prominent female artist to be showcased. Despite their age, her tactile creations are iridescent in the light of the gallery, and draw on traditional folklore with depictions of animals and shapes.

Art at the dawn of independence

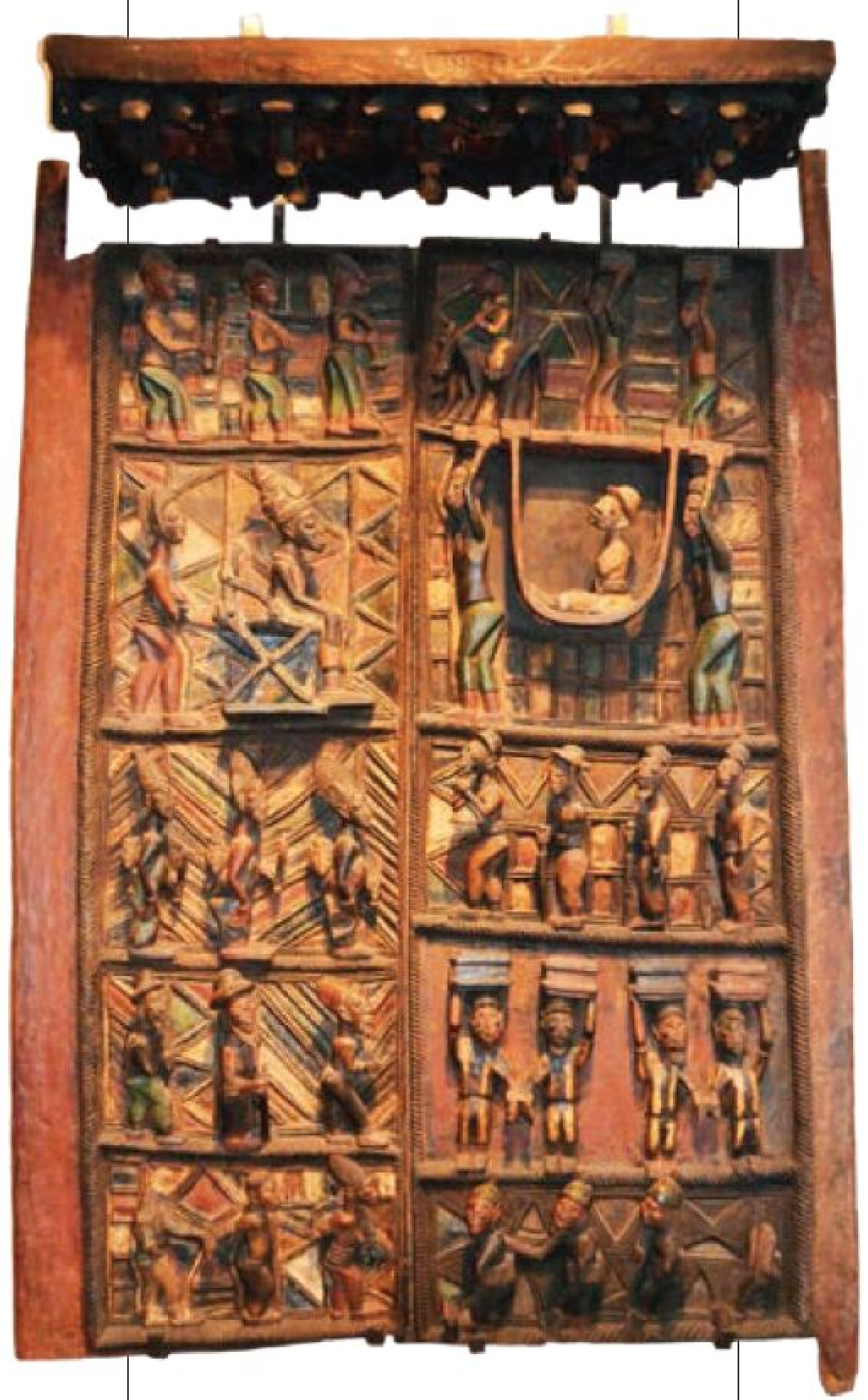
The influence of Nigerian independence on art is most evident in the array of styles demonstrated by the Zaria Art Society, founded in the city of that name, and their rejection of the Eurocentric art curriculum two years prior to Nigeria's gaining of independence. Here, brightly coloured oil paintings celebrate looming freedom in an array of styles and subjects. Demas Nwoko's 1960 painting *Nigeria in 1959* heralds the end of an era with its depiction of fatigued white colonial officers with Nigerian soldiers looming large in the background. Compared to the rigid formal portraits earlier in the exhibition, such as those by Lasekan and Onabulu only a few years earlier, the contrast in mood and sense of possibility could not be more striking.

Whorls of colours and shapes make up the Salon Hang that once adorned the walls of the Mbari Artists and Writers Club, a vital hub for Nigeria's literary and artistic talent following independence. It includes woodcuts, etchings and prints. At first it threatens to overwhelm the viewer, but its vast cultural impact and reflection of artistic freedom following independence is better understood when each piece is first considered in turn.

The impact of independence on ordinary people was revealed in the increased accessibility of art education for all Nigerians, which heralded a new generation of artists. Erhabor Emokpae grew up among the Guild of Carvers in Benin City and he adapted traditional Edo-Benin carvings in his wooden sculptures, later becoming a member of the Society of Nigerian Artists and of the Nigeria Arts Council. His 1963 oil painting *Struggle between Life and Death* speaks to "both being and nothingness" – a sentiment that feels especially poignant as it was painted when Nigeria was in limbo between colonial rule and the reality of independence.

JD Okhai Ojeikere's 1971–1975 photograph series *Hairstyles* is a landmark feature here. The original project comprised almost 1000 images celebrating Nigerian hair design. Ojeikere recognised hair styling as a Nigerian art form in its own right, and the eight photographs on show at the exhibition depict hairstyles that became fashionable during the Nigerian independence period, including the braided "*suku*" and the tall "*onile gogoro*" or skyscraper.

Dominating the walls of the next room are floor-to-ceiling textiles and sculptures depicting Yoruba gods and goddesses that were created by members of the Sacred Art Movement, born in the 1950s to celebrate the healing properties of nature. In muted blues and greens, they are a stark contrast to the Osogbo School, a colourful contemporary art movement that evokes inspiration and expression.



Above: A pair of door panels and a lintel carved by Olowe of Ise for the royal palace at Ikere in 1910.

Opposite: Ben Enwonwu, *Seven Wooden Sculptures,* 1961. Commissioned by the *Daily Mirror* for its London headquarters.

Yet the primary subjects of both these artistic schools are the same, and through several rooms their celebration of Yoruba traditions and legends is clear. Rufus Ogundele's 1965 oil painting *Sacrifice to Ogun, God of Thunder* celebrates Yoruba deities in an abstract riot of colour. Twins Seven-Seven's fantastical 1964 ink and gouache creation *Devil's Dog* depicts Esu, a mischievous trickster from Yoruba legend.

The impact of the Nigerian 1967–1990 civil war on art and artists plays a curiously small part in the exhibition, with only one room exploring how the Nsukka School of art grew out of its aftermath. Compared to the vibrancy and jollity of previous rooms, the paintings and prints on display here are suggestive of devastation and loss in their simplicity and mutedness. Oboira Udechukwu's haunting and otherworldly 1977 oil painting *Beggar and Child* and his 1976 ink drawing *Mourners* are sobering depictions of the effect of such tragic loss of life on the nation.

Journey through the soul of a nation

At its core, the exhibition asks what it means to belong, and how nationhood is imagined and expressed, and this is best shown in the final exhibits.

El Anatsui's hardwood sculpture *Leopard's Paw-Prints and Other Stories* (1991) has indigenous graphic languages carved into it with a chainsaw, a tool that was chosen as a metaphor for the violence of slavery. Uzo Egonu's 1968 oil painting *Women in Grief* is incongruous in its colourful description of conflict and suffering. His *The Stateless People* (1981) is a bold metaphor for the alienation experienced by artists who are forced to leave their homeland – as Egonu himself was – an experience he described as being "symbolically stateless".

Across decades, mediums, and movements, *Nigerian Modernism* invites viewers on a journey through the soul of a nation. In 250 carefully chosen art pieces, it reveals how Nigerian artists have wrestled with identity, tradition, modernity, and freedom and transformed personal and national histories into visual form.

From the intimate intricacies of wood carvings to the bold experimentation of post-independence paintings, from the colourful celebration of Yoruba heritage to the sobering reflections on civil war and displacement, each room offers a new perspective on what it means to belong.

It is an exhibition that demands time, attention, and openness, yet in return offers a profound, visceral insight into Nigeria's modernist imagination and an intimate glimpse into the birth of a nation – a vivid reminder that art doesn't only observe history, it helps shape it, too. ■

Nigerian Modernism *is at London's Tate Modern from 8 October 2025 to 10 May 2026.*

The Ananse Center for Design in Lagos sees itself as a blueprint for creative infrastructure across Africa; a hub where training, production and innovation meet. We asked its founder **Samuel Mensah** to elaborate.

‘Sell the story, the creativity and the impact: that’s where Africa wins’

How has the fashion or creative ecosystem evolved in the last decade? Is it easier for a fashion mogul such as Sam Mensah to pierce through today and to realise his dreams than it was 10 years ago?

Absolutely – the ecosystem has evolved dramatically in the last decade. When I started, there were far fewer structures to support African designers. You had talent, but no access – to finance, production or visibility.

Today, we’ve seen incredible progress. The world is finally paying attention to African creativity – not as a passing trend, but as a force in global culture. Designers from

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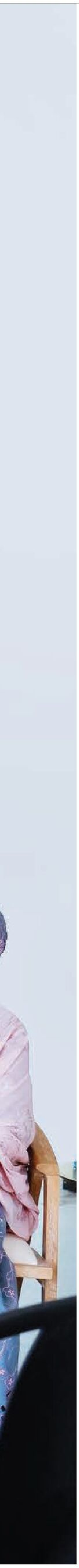

Lagos, Accra, Nairobi and Johannesburg are now showing at fashion weeks around the world, collaborating with international brands and dressing global icons like Beyoncé, Michelle Obama and Lupita Nyong'o.

At the same time, we're seeing a new generation of local tastemakers and platforms – from Lagos Fashion Week to Accra Fashion Week – creating visibility at home and nurturing talent regionally.

So yes, it's easier today to be seen. But it's still hard to scale. The challenges that remain – production infrastructure, access to finance and reliable distribution – are exactly why we built Ananse. The creative fire has always been there; what's changing now is that the world is finally ready to see it.

What are the lessons learnt from your journey that you'd like to share with aspiring entrepreneurs, designers and creators?

Three lessons stand out.

First: start with purpose. Don't just create for the sake of it – understand why your work matters and what problem it solves. That clarity becomes your compass when things get tough.

Second: be consistent. The fashion industry is built on trust – with customers, with suppliers, with your team. Consistency builds credibility.

And finally: collaborate. Africa's creative ecosystem thrives when we share resources and knowledge. No one succeeds alone – and Ananse itself was built on the idea that we're stronger together.

When one speaks to many connected to the world of fashion in Africa, they say the problems are well documented. What are you trying to do with Ananse? What's the vision over 10 years?

At Ananse, we're addressing the three things that have always held African fashion back: skills, infrastructure and market access.

Our vision is to create a connected ecosystem that helps African designers move from talent to trade – from local production to global sales. Over the next 10 years, we want to see thousands of creative entrepreneurs trained, equipped and selling to the world through both digital and physical platforms.

The Ananse Center for Design, Lagos is the first step – a blueprint for creative infrastructure across Africa. It's a hub where training, production and innovation meet. And through ananse.com, we're ensuring those products and stories reach a global audience.

You're spending a lot of time and resources around building skills and infrastructure... can you elaborate on the strategy and thinking here? Are these the two biggest constraints we face today for people to scale?

Yes – skills and infrastructure are absolutely fundamental. We can't talk about scaling African fashion if the people producing don't have access to the equipment, knowledge, or networks they need to grow.

Our strategy is simple: build from the ground up.

> **'Our vision is to create an ecosystem that helps African designers move from talent to trade – from local production to global sales'**

Above: A state-of-the-art facility that stands shoulder-to-shoulder with the best anywhere in the world. This partnership is set to revolutionise our fashion, leather, and digital storytelling sectors, empowering thousands of young creatives with skills, opportunities, and global access.

Opposite: Samuel Mensah (second from left) with representatives of the federal ministries of art, culture and tourism (right) and of the creative economy at the official launch of the Ananse Center for Design in Lagos.

That means creating hubs like the Ananse Center for Design, Lagos that combine technical training with access to modern production tools, and then linking that to market opportunities through our ecommerce platform ananse.com .

We're not just training individuals; we're professionalising an entire sector. That's how we move from small scale creativity to an industry that can create jobs and drive GDP growth.

What are the lessons from other markets, namely China, and how do we compete with the Temus of this world?

The biggest lesson from markets like China is coordination. Their success didn't come from individual brands but from ecosystem thinking – from aligning manufacturing, logistics and digital infrastructure.

Africa has the creativity, but we need the systems. Competing with Temu isn't about trying to copy their model – it's about playing to our strengths. We can't compete on price, but we can compete on authenticity, craftsmanship and cultural value.

Our goal is not just to sell products, but to sell the story, the creativity and the impact behind those products. That's where Africa wins.

We've seen a few online players struggle, the biggest one being Jumia. How developed is e-commerce on the continent and how can we scale it up?

Ecommerce in Africa is still in its nascent stage. The potential is massive, but the fundamentals – logistics, payments and trust – are still catching up.

What makes Ananse different is that we're not trying to be a generic marketplace. We're building a curated ecosystem that integrates training, logistics and creative commerce.

Scaling ecommerce in Africa isn't just about building websites – it's about building confidence: confidence in local products, in online payments and in customer experience. That's where our hybrid model – digital meets physical – is key.

Many also say that if we consumed more African goods we wouldn't be fearing the end of the US African Growth and Opportunity Act (AGOA) or excessive tariffs from other regions. There's no reason why Lesotho couldn't cater for a large African market rather than being over reliant on US brands and US markets...

That's exactly right. Africa's biggest opportunity lies within Africa. If we start valuing our own creative output – buying, wearing and investing in African made – we'll build the resilience the industry needs.

Regional trade, supported by initiatives like the African Continental Free Trade Area (AfCFTA), can make this a reality. We can produce in Lesotho, sell in Lagos and distribute in Nairobi – all within a unified African market.

At Ananse, that's our long term ambition: to build the bridges that make "Made in Africa" not just a slogan but an economic engine for the continent. ■

Outdoor air pollution is a growing threat to health and productivity. The continent has no time to lose in tackling the silent killer. Guest comment by **Ben Payton**.

Africa struggles to keep track of silent killer

Left: A boy walks to school through smoke emitted from a dump in the city of Port Harcourt, Rivers State, Nigeria.

A report published in September by South Africa's Department of Forestry, Fisheries and Environmental Affairs revealed a troubling reality: the government is failing to keep track of dangerous pollutants in the air that South Africans breathe. Out of 130 air quality monitoring stations across the country, just 44 were working properly in July. A further 43 failed to meet minimum data requirements, while 47 were not operational at all.

The government's online portal for air quality currently shows that all three monitoring stations in the city of Bloemfontein are out of action, along with both stations in East London. Five of the eight stations in Gqeberha (Port Elizabeth) are failing to provide data.

Despite the widespread breakdown of monitoring equipment in South Africa, the country's ability to keep track of outdoor air pollution still compares favourably to most of the continent. While several African countries are gradually building capacity to monitor air quality, there is a near total absence of on-the-ground monitoring in many others.

In South Africa a report published in June by the Centre for Research on Energy and Clean Air and Greenpeace Africa estimated that exposure to microscopic "PM2.5" particles contributed to 42,000 deaths in 2023. It found that health impacts linked to exposure cost $52bn, equivalent to 14% of GDP.

Whereas the United States and Europe have roughly one monitoring station per 500,000 people, in sub-Saharan Africa estimates suggest there is only one station for every 16m people.

There is an absence of "political will" to address air quality in parts of the continent, says Ngongang Wandji Danube Kirt, a research fellow in air quality management at non-profit group SEI Africa – a branch of the Stockholm Environment Institute. Meanwhile, officials in some countries fail to appreciate the scale of the problem and how to tackle it: "some governments lack capacity in terms of understanding what is the low-hanging fruit," he adds.

Growing and costly hazard

According to the limited amount that is known about outdoor air quality in Africa, pollution is a growing health hazard – and one that is imposing a significant economic burden.

Although almost all of the world's most polluted cities are in South Asia, N'Djamena in Chad ranked as the eighth worst globally for concentrations of dangerous particulate matter in 2024, according to air monitoring company IQAir. Average levels of PM2.5 particles (a standard measure of air quality) exceeded World Health Organization guidelines by almost twenty times.

The causes of air pollution vary from place to place. Fumes from factories and vehicles are major causes, along with the burning of biomass to generate heat and electricity. In some places, like N'Djamena, dust from sandstorms is also a significant factor.

There are several ways to monitor air quality. One possibility is to use satellite technology to monitor pollutants across a wide area. Only on-the-ground sensors, however, can give a granular view of how air quality varies across cities, providing the data needed to identify pollution hotspots and take preventative action.

SEI Africa's Kirt is working on a project to strengthen air quality monitoring in Nairobi, Kampala and Addis Ababa. He points out that data collected by 14 sensors that his team has helped deploy in Nairobi reveal major differences in levels of pollutants across different parts of the Kenyan capital. Using sensors to identify high levels of pollution around schools, for example, can be a "game-changer," he says.

But he emphasises that tackling air pollution is a complex challenge that goes well beyond simply purchasing sensors and other equipment. Local and national governments need to build capacity not only to collect data, but also to analyse it, and then ultimately to deal with sources of pollution where possible. There is a "fragmented approach" in many cities today, he says. Municipal authorities sometimes collect data, which is not utilised by relevant national-level institutions.

Africa's urban population is rising rapidly, suggesting that air pollution will continue to worsen until authorities start to take the problem more seriously. The continent has no time to lose in tackling the silent killer. ■

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